

OECD SECRETARY-GENERAL TAX REPORT TO G20 FINANCE MINISTERS AND CENTRAL BANK GOVERNORS

Italy
February 2021



G20 

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Please cite this report as:

OECD (2021), *OECD Secretary-General Tax Report to G20 Finance Ministers and Central Bank Governors – February 2021*, OECD, Paris, www.oecd.org/tax/oecd-secretary-general-tax-report-g20-finance-ministers-february-2021.pdf.

Note by Turkey

The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the “Cyprus issue”.

Note by all the European Union Member States of the OECD and the European Union

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Overview

As I look back over my fifteen years as Secretary-General of the OECD, our efforts to transform the international landscape together stand out as one of my proudest achievements. Since its inception, the G20 has supported multilateral co-operation for a globally fair, sustainable and modern international tax system and we have witnessed incredible transformations as a result. I am hopeful that together we can continue our tradition of delivering on another ambitious tax agenda this year as I welcome the Italian presidency of the G20.

The pressing issue at the forefront of the agenda is reforming the international tax system to address the tax challenges arising from the digitalisation of the economy. The need for international co-ordination to resolve the tax challenges of digitalisation and restore stability to the international tax framework is greater than ever, as the COVID-19 pandemic has accelerated digitalisation, public finances are increasingly strained and tolerance for tax avoidance by multinational companies (MNEs) in the current environment is nil. The absence of a multilateral solution to the tax challenges arising from digitalisation would likely lead to a proliferation of unilateral and uncoordinated tax measures, retaliatory trade sanctions and an undermining of tax certainty and investment. The impact of such negative consequences could reduce global GDP by more than 1%.

Today, all the conditions to find a consensus-based solution by the July meeting of G20 Finance ministers are met. First, we have a solid technical basis with the Blueprints of Pillar One and Pillar Two, which you welcomed in October. Public comments have since called for simplifications which can be advanced by July to make both Pillars fully implementable. Second, the political conditions for a deal in July are present with very strong and positive messages from the new US Administration.

This constructive attitude to “re-energise the negotiation” echoes the strong signals from the Ministerial roundtable at the first public meeting of the G20/OECD Inclusive Framework in January where there was consensus on The Honourable Chrystia Freeland’s declaration “let’s get it done!” **Reaching a solution between now and your July meeting will only be achieved with your strong leadership and unequivocal political support and involvement.**

Beyond the corporate income tax challenges, we are advancing the work on tackling other tax challenges arising from the digitalisation of the economy.

- **New technologies emerging in the digital space raise novel tax challenges.** The overall market capitalisation of virtual currencies has reached over USD 1 trillion, a figure that has increased fourfold since I last reported to you. We are developing a new tax reporting framework for crypto-assets, with a view to presenting a comprehensive implementation package to you later in 2021.
- **The implementation of the OECD’s standards for the effective collection of VAT on online sales of goods, services and digital products have continued to influence worldwide VAT reform.** Thus far, 69 countries have implemented, or enacted legislation to implement, the standards and 40 countries are on course to implement the standards. The standards have minimised competitive distortions between online traders and traditional businesses and continue to yield considerable revenue. In addition to this ongoing work, we will deliver new guidance on the VAT treatment for the sharing and gig economy in 2021.

- **Following the development of model rules for reporting on sellers in the sharing and gig economy**, endorsed at your July 2020 meeting, we are working towards agreement on a new framework to support the international exchange of information furnished by platform operators under the new rules. This will greatly facilitate and ensure tax compliance by online sellers.

Responding to the COVID-19 crisis

Tax has a key role to play in responding to the COVID-19 crisis, which has resulted in a drop in economic activity without precedent in recent history. Tax revenues are likely to be significantly reduced for a number of years, on account of both direct effects of the crisis and policy actions taken. The unprecedented nature of the crisis is prompting a reflection on whether some new tax measures could be contemplated and more traditional measures reconsidered. In April 2020, the OECD delivered to you the report “Tax and Fiscal Policy in Response to the Coronavirus Crisis: Strengthening Confidence and Resilience”, which took stock of more than 700 tax measures taken by governments around the world to help businesses stay afloat, support households and preserve employment in the immediate aftermath of the crisis. Since then, the OECD has continued to track tax policy responses to the crisis and I will furnish a new report with the latest developments to you at your next meeting in April 2021.

In addition, we have also swiftly addressed important issues that international businesses and mobile workers have faced as a result of the COVID-19 crisis. Since my last report, the G20/OECD Inclusive Framework has published new guidance on the transfer pricing implications of the COVID-19 pandemic, which provides much needed clarification and support for taxpayers and tax administrations as they navigate the application of international transfer pricing rules for periods impacted by the COVID-19 pandemic. In January 2021, the OECD also published updated guidance on the impact of the COVID-19 pandemic on the interpretation of tax treaties to provide more certainty to taxpayers during this exceptional period.

Pathways to carbon neutrality through tax reform

As countries consider how best to build back better, the contribution of tax to mitigating climate change must now be strengthened. Our economies are increasingly confronted with urgent environmental challenges that, if left unaddressed, threaten the functioning of economic and social systems. Our work reveals that, at present, 70% of all energy-related CO₂ emissions across G20 and OECD countries are completely untaxed and some of the most polluting fuels remain among the least taxed. Emissions trading systems (ETS) contribute to carbon pricing, and increasingly so, but overall, the resulting carbon price falls well short of what is needed to reach Paris Agreement goals. Building on the commitments of many of your governments to reach carbon-neutrality around the middle of the century, co-ordination on fiscal instruments including carbon pricing can steer transformational change, as CO₂ remains seriously under-priced and global CO₂ emissions continue to rise.

Well-designed energy and carbon taxes can strengthen domestic revenue mobilisation and contribute to supporting growth, sustainability and inclusiveness in tax systems. Since I last reported to you, the OECD published a new report examining energy taxation in 15 developing and emerging economies in Africa, Asia, Latin America and the Caribbean. The report, published in January 2021, found that 83% of energy-related CO₂ emissions in the countries surveyed are entirely untaxed and that they could generate revenue equivalent to around 1% of GDP if they set carbon rates on fossil fuels equivalent to EUR 30 per tonne of CO₂ (a low-end estimate of carbon costs today, and a starting point for price levels required to reach Paris Agreement targets). Tax systems that integrate environmental goals could help ensure long-term, viable financing for sustainable development in such countries.

The OECD will soon release the update of our flagship Effective Carbon Rates report, providing a comprehensive view of how energy taxes, carbon taxes and emissions trading systems result in price signals to reduce carbon emissions. We are also working with the IMF to investigate common ways of measuring carbon pricing with a view to furnishing you with a report at your next meeting in April 2021. This work should help facilitate a policy dialogue on carbon pricing and form the basis for discussions at the first ever G20 Tax Symposium on tax and environment in July 2021.

Further progress on the tax agenda

In an increasingly uncertain world, providing tax certainty is crucial to facilitate global growth and cross-border investment. The implementation of the G20/OECD BEPS project is critical to this objective and continues to deliver results. Since my last report to you in October 2020:

- **Treaty shopping has become even less feasible.** Ten additional jurisdictions have deposited their instrument of ratification for the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI). This brings the total number of jurisdictions to ratify to 63 among the 95 jurisdictions that have signed the MLI. **The MLI now covers over 1 700 bilateral tax treaties and started to become effective as of 1 January 2021 for approximately 650 treaties, with an additional 1 200 treaties to become effectively** modified once the MLI is ratified by all Signatories.
- **The practices of MNEs have become more transparent. Over 30 000 exchanges on previously secret tax rulings have taken place since 2016.** In addition, over 90 jurisdictions are exchanging Country-by-Country reports (CbCR) on the activities, income and assets of MNEs since June 2018. More than 2 700 bilateral relationships have been established for the exchange of CbCR between jurisdictions.
- **Jurisdictions have amended or abolished almost 300 preferential tax regimes,** which allowed MNEs to avoid tax on their international activities. Since 2015, 295 regimes of 80 jurisdictions have been reviewed and virtually all of the regimes that were identified as harmful have been amended or abolished.

The Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum), which now has 162 member countries and jurisdictions, continues to step up the fight against offshore tax evasion.

- **Since I last reported to you, the Global Forum published the first peer reviews of the automatic exchange of financial account information (AEOI) standard,** assessing the legal frameworks in 100 jurisdictions engaged in AEOI. The December 2020 report showed that 88% of jurisdictions engaged in automatic exchange since 2017-18 have satisfactory legal frameworks in place or need only minor improvement.
- **A total of EUR 107 billion of additional revenues** (tax, interest, penalties) have been identified so far, thanks to voluntary disclosure programmes and similar initiatives and offshore investigations.
- Through the implementation of global tax transparency standards, **information on 84 million financial accounts was exchanged in 2019 with a total value of around EUR 10 trillion.**
- The Global Forum has already commenced the reviews of the effectiveness of AEOI in practice in the first 100 jurisdictions engaged in AEOI. Progress on the reviews will be reported to you.

Tax and development

Set against the COVID-19 crisis, the work to build effective tax systems in developing countries has never been more important. A critical part of this work focuses on ensuring that developing countries benefit from the significant changes in the international tax system. To date, 43 bespoke induction programmes, to support new members of the G20/OECD Inclusive Framework to implement their BEPS priorities and build capacity, have been launched. The OECD/UNDP Tax Inspectors Without Borders (TIWB) initiative has been especially relevant during COVID-19 as a practical tool to help developing countries collect all taxes due from MNEs. TIWB continues to expand its scope with 84 programmes ongoing or completed and 21 forthcoming. The initiative has helped raise over USD 775 million in additional tax revenues and overall tax assessments in excess of USD 2.3 billion up to the end of 2020.

Part I The OECD's International Tax Agenda

1 Addressing the tax challenges arising from digitalisation

“We will continue our cooperation for a globally fair, sustainable, and modern international tax system. We welcome the Reports on the Blueprints for Pillar 1 and Pillar 2 approved for public release by the G20/OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS). Building on this solid basis, we remain committed to further progress on both pillars and urge the G20/OECD Inclusive Framework on BEPS to address the remaining issues with a view to reaching a global and consensus-based solution by mid-2021.”

Leaders' Declaration, G20 Riyadh Summit, November 21 - 22, 2020

Background

Since the release of the BEPS 2015 Action 1 Report¹, work has continued to address the tax challenges arising from the digitalisation of the economy. In 2017, the G20 called on the G20/OECD Inclusive Framework to prepare a report on this issue. The interim report, delivered in March 2018, further outlined the specific characteristics and tax challenges of the digitalisation of the economy and the G20/OECD Inclusive Framework committed to continue to work together to deliver a consensus-based solution by the end of 2020.

In 2019, the G20/OECD Inclusive Framework agreed a policy note², which formed the basis of the Programme of Work, approved by the G20/OECD Inclusive Framework in May 2019 and endorsed by the G20 Finance Ministers and Leaders at their respective meetings in June 2019.³ The Programme of Work revolved around two pillars – Pillar One and Pillar Two – that could form the basis for consensus.

- **Pillar One** seeks to adapt the international tax system to new business models through a coherent and concurrent review of the profit allocation and nexus rules. It intends to expand the taxing rights of market jurisdictions where there is an active and sustained participation of a business in the economy of that jurisdiction through activities in, or remotely directed at, that jurisdiction. Pillar One also aims to significantly improve tax certainty by introducing innovative dispute prevention and resolution mechanisms.

¹ OECD (2015), *Addressing the Tax Challenges of the Digital Economy, Action 1 - 2015 Final Report*, G20/OECD Base Erosion and Profit Shifting Project, OECD, Paris, <https://doi.org/10.1787/9789264241046-en>.

² OECD (2019), *Addressing the Tax Challenges of the Digitalisation of the Economy – Policy Note*, G20/OECD Inclusive Framework on BEPS, OECD, Paris, www.oecd.org/tax/beps/policy-note-beps-inclusive-framework-addressing-tax-challenges-digitalisation.pdf.

³ Paragraph 11 of the Communiqué, G20 Finance Ministers and Central bank Governors Meeting, Fukuoka (Jun.8-9, 2019), www.mof.go.jp/english/international_policy/convention/g20/communique.htm Ministry of Finance, Japan (2019), Communiqué, G20 Finance Ministers and Central bank Governors Meeting, Fukuoka. (Jun.8-9, 2019), Ministry of Finance, Japan, www.mof.go.jp/english/international_policy/convention/g20/communique.htm.

- **Pillar Two** would introduce global anti-base erosion rules to ensure a minimum level of effective taxation to address remaining BEPS concerns. To this end, Pillar Two would provide jurisdictions with a right to “tax back” where other jurisdictions have not exercised their primary taxing rights or the payment is otherwise subject to low levels of effective taxation.

The Programme of Work, which included three different proposals under Pillar One, highlighted the need to outline the architecture of a consensus-based solution to be agreed by January 2020 and reduce the number of options outlined under Pillar One. Following a proposal issued by the OECD Secretariat for a “Unified Approach” under Pillar One, in January 2020⁴ the G20/OECD Inclusive Framework “agreed upon an outline of the architecture of a Unified Approach on Pillar One as the basis for negotiations and welcomed the progress made on Pillar Two”.

During the course of 2020, despite the COVID-19 pandemic, significant progress was made on the development of both Pillars. On 9 October 2020, the G20/OECD Inclusive Framework approved a package comprising a Cover Statement,⁵ the Report on the Pillar One Blueprint⁶ and the Report on the Pillar Two⁷ Blueprint “*which reflect convergent views on a number of key policy features, principles and parameters of both Pillars, identifies remaining political and technical issues where differences of views remain to be bridged, and next steps.*” The G20/OECD Inclusive Framework noted that the Report on the Blueprint for Pillar One was a “*solid basis for future agreement*” and the Report on the Blueprint for Pillar Two was “*a solid basis for a systemic solution that would address remaining BEPS challenges.*” The G20/OECD Inclusive Framework agreed to “*swiftly address the remaining issues with a view to bringing the process to a successful conclusion by mid-2021 and to resolve technical issues, develop model draft*”

Key Dates

October 2015 – BEPS Action 1 report

March 2018 – Interim Report

January 2019 – Policy note agreed by the G20/OECD Inclusive Framework

May 2019 – Program of Work to Develop a Consensus Solution

October 2019 – Proposal of the Secretariat on a “Unified Approach”

November-December 2019 – Public consultations on Pillar One and Pillar Two

January 2020 – Adoption of the Statement on the Two-Pillar Approach

April & June 2020 – Meetings with Business at OECD

February to October 2020 – Almost 70 days of Working Party and Steering Group meetings

October 2020 – Blueprint Reports on Pillar One and Pillar Two

January 2021 – Public consultations on the Pillar One and Pillar Two Blueprints

Mid-2021 – Deliver agreement on remaining key issues for global consensus-based solution by July G20 Finance Ministers’ meeting

⁴ OECD (2020), *Statement by the G20/OECD Inclusive Framework on BEPS on the Two-Pillar Approach to Address the Tax Challenges Arising from the Digitalisation of the Economy – January 2020*, G20/OECD Inclusive Framework on BEPS, OECD, Paris. www.oecd.org/tax/beps/statement-by-the-oecd-g20-inclusive-framework-on-beps-january-2020.pdf.

⁵ Cover Statement by the G20/OECD Inclusive Framework on the Reports on the Blueprints of Pillar One and Pillar Two, as approved by the G20/OECD Inclusive Framework at its meeting on 8-9 October 2020 www.oecd.org/tax/beps/cover-statement-by-the-oecd-g20-inclusive-framework-on-beps-on-the-reports-on-the-blueprints-of-pillar-one-and-pillar-two-october-2020.pdf

⁶ OECD (2020), *Tax Challenges Arising from Digitalisation – Report on Pillar One Blueprint: Inclusive Framework on BEPS*, G20/OECD Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://doi.org/10.1787/beba0634-en>.

⁷ OECD (2020), *Tax Challenges Arising from Digitalisation – Report on Pillar Two Blueprint: Inclusive Framework on BEPS*, G20/OECD Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://doi.org/10.1787/abb4c3d1-en>.

legislation, guidelines, and international rules and processes as necessary to enable jurisdictions to implement a consensus based solution.”

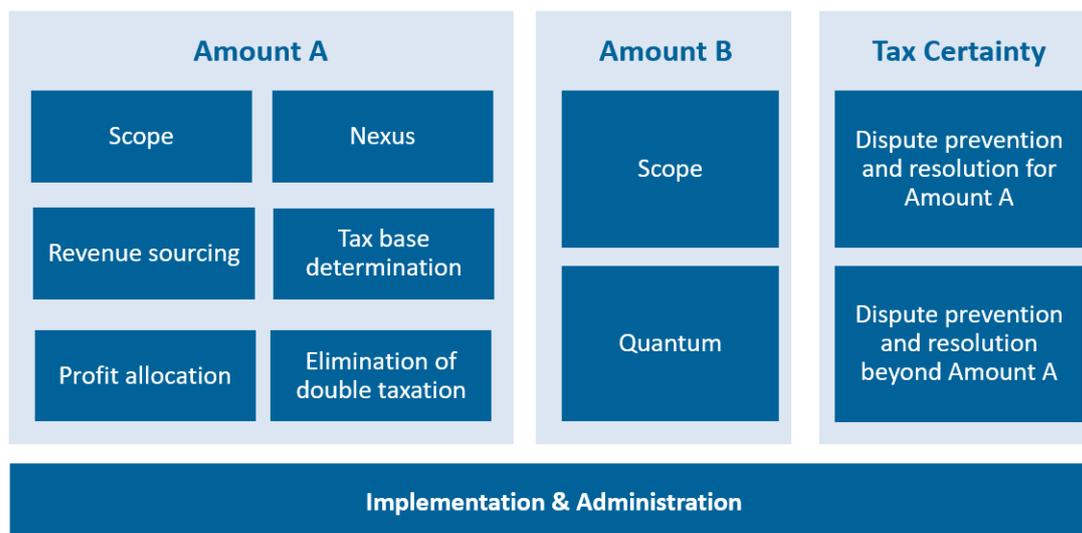
Following the October 2020 package, a public consultation was launched on the Pillar One and Pillar Two Blueprints. Approximately 3 500 pages of comments were received in response from over 200 commentators across business, civil society, academia and the NGO sector. A public consultation meeting was held on 14 and 15 January 2021 where several commentators elaborated on their comments on the Pillar One and Pillar Two Blueprints. The G20/OECD Inclusive Framework continues to build upon this invaluable input to further refine and simplify the Pillar One and Pillar Two proposals, with the objective of reaching a political agreement in mid-2021.

Pillar One and Pillar Two Blueprints

As noted above, Pillar One aims to expand the taxing rights of market jurisdictions where there is an active and sustained participation of a business in the economy of that jurisdiction. Pillar Two would introduce global anti-base erosion rules to ensure a minimum level of effective taxation. Now that conditions are gathered to resume a constructive negotiation, G20/OECD Inclusive Framework members will be able to draw from the Blueprints which are a solid but flexible basis for their negotiation.

Pillar One

There are 11 building blocks of the Pillar One proposal. The technical elements of the building blocks are still subject to further discussion and refinement within the subsidiary bodies of the G20/OECD Inclusive Framework, which senior policymakers and tax administrators attend.



The Pillar One Blueprint details the significant progress made on three core elements of Pillar One, namely:

- a new taxing right for market jurisdictions over a share of residual profit calculated at an MNE group (or segment) level (Amount A);
- a fixed return for certain baseline marketing and distribution activities taking place physically in a market jurisdiction, in line with the ALP (Amount B); and
- processes to improve tax certainty through effective dispute prevention and resolution mechanisms.

The issues that remain to be resolved include: the scope of Amount A; the amount of profit to be reallocated under Amount A; the scope of mandatory binding dispute resolution beyond Amount A; and

the scope and application of Amount B. As noted in the Cover statement, the G20/OECD Inclusive Framework is currently focused on resolving these remaining technical and political issues.

Pillar Two

Pillar Two would address remaining BEPS challenges to ensure that all large and internationally operating businesses pay at least a minimum level of tax. Although it is recognised that jurisdictions are entitled to determine their own tax systems, Pillar Two provides for the right of other jurisdictions to apply an internationally agreed regime in circumstances where income is taxed below an agreed minimum rate. The Pillar Two Blueprint includes details on the design of the income inclusion rule (IIR) and the undertaxed payment rule (UTPR) (together, the “GloBE” rules), as well as a treaty-based subject to tax rule (STTR) which complements the GloBE rules.

In October 2020, the G20/OECD Inclusive Framework agreed that the Pillar Two Blueprint provides a solid basis for future agreement on the STTR and the GloBE rules. This includes the method for determining the effective tax rate and for imposing tax on a co-ordinated basis and the basis on which the United States’ Global Intangible Low Taxed Income Regime (GILTI) would be treated as a Pillar Two compliant income inclusion rule.

The G20/OECD Inclusive Framework has recognised that the Blueprint provides a solid basis for future agreement on a common approach to the GloBE rules. This common approach recognises that while some G20/OECD Inclusive Framework members may not adopt the rules, those that do would implement them in line with that agreement. Furthermore, given the importance that a large number of G20/OECD Inclusive Framework members, particularly developing countries, attach to an STTR, the G20/OECD Inclusive Framework has recognised that an STTR would be an integral part of a consensus solution on Pillar Two.

The G20/OECD Inclusive Framework continues to work on the development of model legislation, standard documentation and guidance, designing a multilateral review process and exploring the use of a multilateral convention to implement Pillar Two, with a view to establishing the technical foundations to support political agreement by mid-2021 on key issues yet to be resolved.

Effect of Pillar One and Pillar Two

Pillar One and Pillar Two could increase global CIT revenues by about USD 50-80 billion per year. Taking into account the combined effect of these reforms and the US GILTI regime, the total effect could represent USD 60-100 billion per year or up to around 4% of global CIT revenues. The exact gains would depend on the final design and parameters of Pillar One and Pillar Two, the extent of their implementation, the nature and scale of reactions by MNEs and governments and future economic developments.

A consensus-based multilateral solution under Pillar One and Pillar Two would also lead to a more favourable environment for investment and growth than would likely be the case in the absence of an agreement by the G20/OECD Inclusive Framework.

The absence of a consensus-based solution would likely lead to a proliferation of uncoordinated and unilateral tax measures (e.g. digital services taxes) and an increase in damaging tax and trade disputes. This would undermine tax certainty and investment and result in additional compliance and administration costs. The magnitude of the negative consequences would depend on the extent, design and scope of these unilateral measures, and the scale of any ensuing trade retaliation. These disputes could reduce global GDP by more than 1%.

Other work related to digitalisation

Indirect tax

The OECD's standards and guidance for the effective collection of VAT on online sales of goods, services and digital products have continued to influence VAT reform in a growing number of countries worldwide. Already 69 countries have implemented, or enacted legislation for the implementation of, standards and guidance. This now includes all OECD countries that operate a VAT system. Approximately 40 additional jurisdictions are implementing these standards or are considering doing so.

The VAT standards were first included in the 2015 BEPS Action 1 Report and the detailed implementation guidance was later developed. A report providing comprehensive guidance for the VAT treatment of the sharing and gig economy, including on the role of sharing and gig economy platforms in facilitating VAT compliance, will be delivered in the second quarter of 2021.

The VAT standards continue to be a success story with positive compliance reported and considerable revenue collected from these measures. Chile, which is one of the most recent countries to implement these standards, reported considerably higher than expected revenue of USD 65 million collected during the first 5 months of the operation of this regime. The standards have also minimised competitive distortions between online traders and traditional businesses, which has become even more relevant with the onset of the COVID-19 pandemic and the resultant surge in online shopping and increased demand for digital products and online services.

The OECD continues to advance its work to support developing countries seeking to implement these recommended solutions for the collection of VAT on digital trade. A Regional VAT Digital Toolkit providing detailed practical implementation guidance for Latin American and Caribbean countries will be released in the second quarter of 2021, in co-operation with the World Bank Group (WBG), the Inter-American Development Bank (IDB) and the Inter-American Center of Tax Administration (CIAT). Similar toolkits will be delivered in the second half of 2021 for the Asia-Pacific region (with the WBG and the Asian Development Bank (ADB) as partners) and for Africa (with the WBG and African Tax Administration Forum (ATAF) as partners). In addition, the OECD continues to provide technical assistance to developing countries around the world in response to the continuously growing demand for capacity building on VAT and e-commerce.

Taxing virtual currencies and tax transparency framework for crypto-assets

Virtual currencies and crypto-assets raise considerable policy issues that are of increasing relevance for governments, including for the G20 Finance Ministers and Central Bank Governors, who called on international organisations to analyse the risks posed in various policy areas – including taxation – in their March and July 2018 communiqués. When I last reported to you, the overall market capitalisation of virtual currencies reached USD 354 billion as of September 2020. As of 1 February 2021, the overall market capitalisation reached USD 1.026 trillion, demonstrating the growing importance of developments in this area.

In order to prevent an erosion of the progress made over the past decade to achieve tax transparency on offshore investments, the international tax transparency standards need to be adapted to address emerging risks and gaps so that they maintain their effectiveness. Since my last report to you in October 2020, the OECD has continued to advance its

“We welcome the report approved by the G20/OECD Inclusive Framework on BEPS on the tax policy implications of virtual currencies.”

Leaders' Declaration, G20 Riyadh Summit, 21-22 November 2020

work to design a tax reporting and exchange framework that will address the tax compliance risks associated with the emergence of crypto-assets and reflecting the crucial role that crypto-exchanges play as intermediaries in the crypto-asset market. This is a global issue that requires a global solution. In order to reflect the dynamic and highly mobile nature of the crypto-asset market, the objective is to design the international exchange framework in such a manner that all jurisdictions hosting intermediaries can fully participate. The OECD will continue to work on the detailed technical proposals for the new tax reporting framework for crypto-assets, with a view to presenting a comprehensive implementation package to the G20 later in 2021.

Digital transformation of tax administration

In December 2020, the Forum on Tax Administration (FTA) published a discussion paper entitled Tax Administration 3.0 which sets out a vision of how tax administration might take place in the future given the new possibilities opened by the digitalisation of the economy.

The idea behind Tax Administration 3.0 is that as more interconnections are formed among the different systems that taxpayers use to manage their affairs, it is becoming increasingly possible to move taxation processes into these systems, subject to appropriate assurance around accuracy, reliability and security. The integration of taxation into taxpayers' own systems has the potential to build in compliance in an increasing number of areas, to move taxation closer to taxable events, and to reduce compliance burdens significantly over time.

The FTA is in the process of developing an action plan to identify the priority areas for future FTA work, including identification of areas where international standardisation could be beneficial, such as digital identity, e-invoicing and secure mechanisms for the real-time sharing of information across borders. The action plan will also consider how the FTA can enhance the existing mechanisms for the exchange of practical knowledge on the different aspects of digital transformation, both technical and operational.

2 Response to COVID-19

The OECD has responded quickly to the COVID-19 crisis by providing information and tools to support tax policy makers and tax administrations in addressing the various challenges presented by the crisis.

Supporting countries in designing their COVID-19 responses

At the request of the Saudi Arabian G20 Presidency in 2020, the OECD undertook a stocktake of jurisdictions' tax and fiscal policy responses to the COVID-19 crisis and developed a policy framework. This informed the report, *Tax and Fiscal Policy in Response to the Coronavirus Crisis – Strengthening Confidence and Resilience*⁸, presented to G20 Finance Ministers and Central Bank Governors in April 2020. The OECD has continued to track tax policy responses to the crisis and I will report back on this work in April 2021.

As the world continues to grapple with the COVID-19 crisis, countries should continue to use tax policy to support recovery. Once recovery is solid – and only then – the tax policy perspective can shift from support and stimulus to structural reform. Guiding principles for reform include fair burden sharing and better alignment of tax policy with major trends and risks related to ageing, health, climate and the environment. This suggests a more central role for environment- and health-related taxes, for property and personal capital income taxes, and for strong multilateral collaboration on addressing the tax challenges arising from digitalisation to avoid tax and trade disputes that could harm the recovery. To ensure that the tax system does not inadvertently reinforce gender biases in society, the impact of taxes on gender should also be considered to be a key policy dimension in tax policy responses to COVID-19.

“The year 2020 has been among the most disruptive and challenging periods that our respective jurisdictions and citizens have ever faced. While the public dealt with the uncertainty of the pandemic, many tax administrations played a key role in helping their governments deliver emergency measures to support those in need. We applaud the efforts of the many tax administration officials and employees who were called upon to meet this challenge, and met this call with professionalism and pride.”

**2020 FTA “Amsterdam”
Plenary Communique**

Tax administrations' responses to the crisis

From the early days of the COVID-19 crisis, tax administrations in the 53 member jurisdictions of the FTA worked closely together in the rapid development of measures to support taxpayers and to review their own business continuity arrangements. In many instances, FTA members were able to learn from each other in almost real-time. This involved frequent virtual meetings across the FTA to discuss in depth the management of the crisis, and the distillation of that knowledge into a number of actions and communications aimed at assisting the wider tax administration community, including reports produced

⁸ OECD (2020), *Tax and Fiscal Policy in Response to the Coronavirus Crisis: Strengthening Confidence and Resilience*, OECD, Paris, www.oecd.org/tax/tax-policy/tax-and-fiscal-policy-in-response-to-the-coronavirus-crisis-strengthening-confidence-and-resilience.htm.

in co-operation with the Inter-American Center of Tax Administrations (CIAT) and the Intra-European Organisation of Tax Administrations (IOTA) on measures taken to assist taxpayers, business continuity in a crisis context, and recovery period planning. Since I last reported to you, the FTA held its annual plenary meeting in December 2020. At that plenary, FTA members agreed to improve the resilience and agility of tax administrations globally to respond to crises, including through collaboration on new ways of working and the development and use of new IT tools.

Throughout the crisis, the FTA published numerous COVID-19 planning guidance and utilised the Knowledge Sharing Platform developed by the Canada Revenue Agency to disseminate information quickly and widely to the global tax community. FTA members continue to undertake more in-depth work on the considerations for effective remote working, the lessons learned on HR management in crisis situations and strategies to ease burdens on small and medium sized enterprises (SMEs). Joint work is also planned on ways to accelerate the digital transformation of tax administrations, including the use of digital tools to make the administration more resilient, agile, and efficient and to reduce burdens on taxpayers. Recognising the severe impacts of the crisis on SMEs, the FTA made this sector a priority of its collaborative work and, at its December 2020 plenary meeting, published the first in a series of reports aimed at supporting SMEs to get their taxes right, including through a greater understanding of their operational realities.

Forum on Tax Administration

- [Tax Administration Responses to COVID-19: Assisting Wider Government](#)
- [Tax Administration Responses to COVID-19: Recovery Period Planning](#)
- [Tax Administration Responses to COVID-19: Measures Taken to Support Taxpayers](#)
- [Tax Administration Responses to COVID-19: Business Continuity Considerations](#)
- [Tax Administration: Privacy, Disclosure and Fraud Risks Related to COVID-19](#)
- [Gender Balance and COVID-19: Risks, challenges and opportunities](#)
- [Tax Administration responses to Covid-19: business continuity](#)

Transfer pricing implications of the COVID-19 crisis

In December 2020, the G20/OECD Inclusive Framework published *Guidance on the transfer pricing implications of the COVID-19 pandemic*.⁹ The Guidance was provided in recognition of the unique economic conditions arising from and specific challenges implied by the COVID-19 pandemic. It clarifies and illustrates the practical application of the arm's length principle as articulated in the *OECD Transfer*

⁹OECD Policy Responses to Coronavirus (COVID-19) Guidance on the transfer pricing implications of the COVID-19 pandemic, 18 December 2020, www.oecd.org/coronavirus/policy-responses/guidance-on-the-transfer-pricing-implications-of-the-covid-19-pandemic-731a59b0/.

Pricing Guidelines for Multinational Enterprises and Tax Administrations 2017 (OECD TPG)¹⁰ in these circumstances. There was an urgent need to provide this guidance for taxpayers applying the transfer pricing rules for the financial years impacted by the COVID-19 pandemic and for tax administrations that will be evaluating such application.

The Guidance provides clarifying comment on, and illustrations of, the practical application of the arm's length principle with respect to four priority issues: (i) comparability analysis; (ii) losses and the allocation of COVID-19 specific costs; (iii) government assistance programmes; and (iv) Advance Pricing Arrangements (APAs). The Guidance provides much needed clarification and support for taxpayers and for tax administrations as they evaluate and administer the application of transfer pricing rules for periods impacted by the COVID-19 pandemic, an area where international co-ordination is necessary. However, the OECD TPG, which are intended to help tax administrations and MNEs find mutually satisfactory solutions to transfer pricing cases, should continue to be relied upon when performing a transfer pricing analysis, including under unique circumstances introduced by the pandemic.

Tax treaty implications of the COVID-19 crisis

In January 2021, the OECD Secretariat published updated guidance on tax treaties and the impact of the COVID-19 pandemic.¹¹ The guidance revisited the analysis issued by the OECD Secretariat in April 2020 on the impact of the COVID-19 pandemic on tax treaties. Unprecedented measures imposed or recommended by governments, including travel restrictions and curtailment of business operations, have been in effect in most jurisdictions in various forms and stages since early 2020 due to the COVID-19 pandemic and this situation continues in 2021. As a result, there were considerable tax treaty implications for cross-border workers and individuals who were stranded by travel restrictions in a country that was not their normal country of residence, among other unique circumstances.

While initially in 2020 it was unclear how long exceptional measures would persist and it was expected that many of the situations analysed would only be temporary, almost a full year has passed since the first guidance was issued in April 2020 and some of the measures and the restrictions described remain in place. Accordingly, the updated guidance examines whether the analysis and the conclusions outlined in April 2020 continue to apply where the circumstances persist for a significant period; considers some additional fact patterns not addressed in detail in April 2020; and contains references to country practices and guidance during the COVID-19 period. The guidance outlines the application of the existing rules and the OECD Commentary on concerns related to the creation of permanent establishments; the application of "tie-breaker" rules to dual residents; and the tax treaty treatment of income from employment. The guidance also illustrates how some countries have addressed the impact of COVID-19 on the tax situations of individuals and employers.

¹⁰ OECD (2017), *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2017*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/tpg-2017-en>

¹¹ OECD (2021), *Updated guidance on tax treaties and the impact of the COVID-19 pandemic*, OECD Policy Responses to Coronavirus (COVID-19), OECD, Paris, www.oecd.org/tax/treaties/guidance-tax-treaties-and-the-impact-of-the-covid-19-crisis.htm.

Tax policy analysis post-COVID-19

OECD tax revenues fell slightly before the COVID-19 pandemic, and countries face much larger decreases ahead.

OECD (2020) *OECD Revenue Statistics 2020*

Statistics on tax revenue are the foundation for analysis of tax and customs policies. Comparable and reliable statistics are critical to undertake such analysis and to develop better tax policies. The OECD Global Revenue Statistics Database is a major step forward in providing comparable and reliable tax revenue data for a large number of countries from all regions of the world. It provides detailed comparable tax revenue data for more than 100 countries covering over 85% of global GDP from 1990 onwards. In 2020 the database grew to include an additional 11 economies. The data are reported at the general level of government and also at the sub-national and social security fund levels.

The key indicators of the database, the tax-to-GDP ratio and the tax structure (the share of a tax category in total tax revenue), allow detailed cross-country analysis and detailed analysis over time and across tax categories. Data are presented along with regional averages for participating African countries, Latin America and the Caribbean (LAC), and the OECD. The database draws from the wealth of information in the annual Revenue Statistics publications, which cover African, Asian and Pacific, Latin American and Caribbean (LAC) and OECD countries.

Although it is too soon to tell how the crisis has affected tax receipts across G20 economies, the 2020 edition of Revenue Statistics published in December showed that within the OECD tax revenues fell slightly before the COVID-19 pandemic, and countries face much larger decreases ahead. The report showed that the average tax-to-GDP ratio has fallen to 33.8% in 2019, a decrease of 0.1 percentage points since 2018.¹² Later this year, I will report on the results for 2020, which should show the impact of COVID-19 on global tax revenues, to you later this year.

¹² OECD (2020), *Revenue Statistics 2020*, OECD Publishing, Paris, <https://doi.org/10.1787/8625f8e5-en>

3 Tax and Environment

Our economies are increasingly confronted with urgent environmental challenges. Left unaddressed, climate change and loss of biodiversity threaten the functioning of economic and social systems. Reducing the risks requires transformational change, not minor adjustments. Awareness of the need for action was high before the COVID-19 pandemic, but the sense of urgency to build resilience against these threats has been amplified and the need for systemic responses is now abundantly clear.

Taxing energy use and carbon pricing

The OECD publishes two regular flagship reports on carbon pricing:

- **Effective Carbon Rates**¹³, the most detailed and comprehensive account of how 44 OECD and G20 countries – responsible for around 80% of global carbon emissions – price carbon emissions from energy use through energy taxes, carbon taxes and emissions trading systems;
- **Taxing Energy Use**¹⁴, which presents full detail on the deployment of energy taxes in OECD and G20 countries, and in international aviation and maritime transport, tracks progress made and makes actionable recommendations on how governments could do better.

At present, 70% of energy-related CO₂ emissions from advanced and emerging economies across the OECD and G20 are entirely untaxed and some of the most polluting fuels remain among the least taxed.

OECD (2019), *Taxing Energy Use 2019: Using Taxes for Climate Action*

Taxing Energy Use for Sustainable Development

In January 2021, the OECD published a new report, **Taxing Energy Use for Sustainable Development**.¹⁵ This report examines energy taxation in 15 developing and emerging economies in Africa, Asia and Latin America and the Caribbean.¹⁶ The report finds that well-designed energy and carbon taxes can strengthen efforts to improve domestic revenue mobilisation, albeit to varying degrees across countries. Across the 15 countries in the report, 83% of energy-related CO₂ emissions are entirely untaxed. On average, the countries could generate revenue equivalent to around 1% of GDP if they set carbon rates on fossil fuels equivalent to EUR 30 per tonne of CO₂. None of the 15 countries applies an explicit carbon tax or uses CO₂ emissions trading systems, but most apply excise taxes to energy use and some subsidise energy usage (sometimes concurrently).

¹³ OECD (2018), *Effective Carbon Rates 2018: Pricing Carbon Emissions Through Taxes and Emissions Trading*, OECD Publishing, Paris. <https://doi.org/10.1787/9789264305304-en>

¹⁴ OECD (2019), *Taxing Energy Use 2019: Using Taxes for Climate Action*, OECD Publishing, Paris, <https://doi.org/10.1787/058ca239-en>.

¹⁵ OECD (2021), *Taxing Energy Use for Sustainable Development: Opportunities for energy tax and subsidy reform in selected developing and emerging economies*, OECD, Paris, www.oecd.org/tax/tax-policy/taxing-energy-use-for-sustainable-development.htm.

¹⁶ Countries include: Côte d'Ivoire, Egypt, Ghana, Kenya, Morocco, Nigeria and Uganda in Africa; the Philippines and Sri Lanka in Asia; and Costa Rica, Dominican Republic, Ecuador, Guatemala, Jamaica and Uruguay in Latin America and the Caribbean.

Upcoming work on tax and environment

In April 2021, the OECD will release the update of our flagship Effective Carbon Rates report, together with a new benchmarking methodology for carbon pricing. Overall, the stocktake for 2018 reveals only modest progress with carbon pricing since 2015. However, estimates of changes since 2018, for example with national emissions trading for the electricity sector and with the firming up of prices in the EU ETS, inspire more hope for a strengthening carbon pricing dynamic.

The IMF and OECD are joining efforts to provide metrics of carbon pricing and they are bringing together their expertise on the challenges of moving forward with carbon pricing and how to overcome them, with the goal of supporting you, and the Italian presidency of the G20, to begin a policy dialogue on carbon pricing and the transition to a greener global economy. The IMF and OECD will be furnishing you with an initial report at your next meeting in April 2021. Our work should also form the basis for discussions at the first ever G20 Tax Symposium on tax and environment in July 2021.

4 Implementing the BEPS measures and tax certainty

As the COVID-19 crisis continues, securing the tools to collect tax revenues and counter tax avoidance by MNEs remains a priority. The G20/OECD Inclusive Framework continues to make progress on implementing the four BEPS minimum standards despite the constraints imposed by the ongoing pandemic. The MLI (Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting) entered into force on 1 July 2018 and now covers 95 jurisdictions. As of 18 February 2021, 63 jurisdictions have deposited their instrument of ratification with the Depository (the OECD) (10 jurisdictions more than we reported in October 2020), including 11 G20 members¹⁷ and 29 OECD members.¹⁸ The MLI now covers over 1 700 bilateral tax treaties. Furthermore, the MLI started to become effective as of 1 January 2021 for approximately 650 treaties concluded among the 63 jurisdictions that have ratified, with an additional 1 200 treaties to become effectively modified once MLIs have been ratified by all Signatories. All 95 covered jurisdictions are implementing the Action 6 (Treaty Shopping) minimum standard via the MLI.

In an increasingly uncertain world, providing tax certainty is becoming even more important to facilitate global growth and cross-border investment. This work includes the prevention of disputes and dispute resolution processes in particular on advance pricing agreements (APA), mutual agreement procedures (MAP), and the use of benchmarks. Tax certainty has also been a priority throughout the ongoing G20/OECD Inclusive Framework negotiations on a two-pillar solution on the tax challenges arising from digitalisation.

Implementing the four BEPS minimum standards

The core elements of the BEPS package are the four minimum standards that all G20/OECD Inclusive Framework members have agreed to implement. The review of each of the BEPS minimum standards took place during 2020, which provided the G20/OECD Inclusive Framework an opportunity to evaluate what has worked since the standards were agreed in 2015 and how the standards could be improved to better counter BEPS practices moving forward.

<p>Action 5 Combating Harmful Tax Regimes</p> <ul style="list-style-type: none"> • Close to 300 tax regimes reviewed and over 30 000 exchanges on tax rulings 	<p>Action 6 Countering Tax Treaty Abuse</p> <ul style="list-style-type: none"> • BEPS Multilateral Instrument signed by 95 jurisdictions; 63 jurisdictions have ratified 	<p>Action 13 Country-by-Country Reporting</p> <ul style="list-style-type: none"> • Over 90 jurisdictions introduced Country-by-Country reporting filing requirements 	<p>Action 14 Improving Dispute Resolution</p> <ul style="list-style-type: none"> • 82 jurisdictions have been reviewed and around 1 800 recommendations have been made
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¹⁷ Australia, Canada, France, Germany, India, Indonesia, Japan, Korea, Russian Federation, Saudi Arabia and the United Kingdom

¹⁸ Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Iceland, Ireland, Israel, Japan, Korea, Latvia, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Sweden, Switzerland and the United Kingdom

Action 5: Countering harmful tax regimes

The OECD Forum on Harmful Tax Practices (FHTP) has continued to review preferential tax regimes and conduct the annual peer review of the transparency framework on the exchange of information on rulings under Action 5. At the same time, members of the G20/OECD Inclusive Framework and jurisdictions of relevance¹⁹ have continued to work on implementing changes required by the FHTP as part of its review of preferential tax regimes and its review of the substantial activities requirement for no tax or only nominal tax jurisdictions.

Since the beginning of the BEPS Action 5 peer reviews, the FHTP has reviewed close to 300 preferential regimes and the substance legislation of 12 no tax or only nominal tax jurisdictions. In addition, over 30 000 exchanges on tax rulings between governments have taken place to date, with peer reviews on tax rulings covering 124 jurisdictions. This ensures increased transparency as tax administrations receive more information on tax rulings pertaining to the tax arrangements of their taxpayers, including MNEs, to identify and act on any potential BEPS risks.

In 2021, the FHTP will continue its reviews of preferential regimes and the peer reviews on tax rulings, for which updated terms of reference and a streamlined methodology were agreed for the 2021-25 period. In addition, the FHTP will conduct its first effectiveness review for the 12 no or only nominal tax jurisdictions in relation to their implementation of the substantial activities standard, pursuant to which exchanges are set to start in March of this year.

Action 6: Prevention of tax treaty abuse and countering treaty shopping

Action 6 peer reviews show the efforts made by most Inclusive Framework members in tackling treaty shopping, in particular for those that ratified the MLI. The MLI, which has been the main tool used to implement the minimum standard, has started to have a significant effect and is now strengthening the bilateral tax treaty network of jurisdictions that ratified it. In 2020, following ratifications of the MLI, the number of compliant agreements has increased by nearly 500%. However, the 2020 Peer Review Report reveals an important difference in the progress made between the jurisdictions that had ratified the MLI before October 2020 and the others.

The peer review of Action 6 called for a review of its methodology in 2020. On 17 February 2021, the G20/OECD Inclusive Framework approved a revised Peer Review process. This new process will provide assistance to jurisdictions with tax treaties that remain unprotected against treaty-shopping and for which no steps have been taken to bring them into compliance with the minimum standard. The assistance would include a recommendation to formulate a plan if one was not already in existence. A jurisdiction that is using the MLI to implement the minimum standard would also be recommended to complete the steps to have it take effect for its agreements.

In 2021, the fourth peer review will be carried out based on the revised Peer Review process. With the additional ratifications of the MLI, the number of compliant agreements is expected to increase significantly. The OECD will also stand ready to provide assistance to all jurisdictions with tax treaties that remain unprotected against treaty-shopping.

Action 13: Improving transparency through Country-by-Country reporting

Jurisdictions continue to introduce Country-by-Country (CbC) reporting filing requirements for MNEs, which currently total over 90 jurisdictions thereby increasing transparency across a broad range of countries. In addition, more than 2 700 bilateral relationships have been established for the exchange of CbC reports under the multilateral Convention on Mutual Administrative Assistance in Tax Matters, bilateral double tax conventions and tax information exchange agreements, and among European Union (EU) Member States.

¹⁹ Non-members deemed as “jurisdictions of relevance” by members of the G20/OECD Inclusive Framework.

At present, substantially every MNE above the consolidated group revenue threshold of EUR 750 million is already within the scope of CbCR and the few remaining gaps are rapidly being closed. The 2020 review of CbCR has provided an opportunity to seek feedback on the implementation and operation of Action 13, consider changes to the scope of CbCR and review the content of CbC reports. Agreement on the changes to be made to the standard under Action 13 should be reached later in 2021.

Action 14: Mutual Agreement Procedures (MAP)

Action 14 has made substantial improvements to the efficiency of the MAP, which has bolstered the larger tax certainty agenda. The peer review process shows that countries are updating their treaties to be in line with this minimum standard and are greatly improving their MAP processes, including by making more resources available to their tax administrations to improve the timeliness and effectiveness of MAP. Following the stage 1 review, where 82 jurisdictions were reviewed and 1 800 recommendations for improvement were issued, the stage 2 monitoring process to check whether the jurisdictions are addressing the recommendations, continues to be underway for several jurisdictions. On 16 February 2021, the final batch of the stage 1 peer review reports were released, regarding the assessments of Aruba, Bahrain, Barbados, Gibraltar, Greenland, Kazakhstan, Oman, Qatar, Trinidad and Tobago, Saint Kitts and Nevis, Thailand, United Arab Emirates and Viet Nam. The reports incorporated MAP statistics from 2016 to 2019 and contained almost 340 targeted recommendations that will be followed up in stage 2 of the peer review process. As regards stage 2 reviews, in October 2020 stage 2 peer review monitoring reports for Czech Republic, Denmark, Finland, Korea, Norway, Poland, Singapore and Spain were released. In January 2021, the G20/OECD Inclusive Framework approved the latest stage 2 reports of batch 5 on the implementation of the Action 14 Minimum Standard for Estonia, Greece, Hungary, Iceland, Romania, Slovak Republic and Turkey.

The assessment methodology under the Action 14 minimum standard stipulated that the Action 14 peer review process should be evaluated in 2020. The review of Action 14 covers three components: the minimum standard; reporting of MAP statistics; and the assessment methodology. In November 2020, a public consultation regarding the Action 14 BEPS review was launched to obtain input from taxpayers, as the main users of the MAP, on these proposals. The consultation ended on 25 January and a public consultation meeting was held on 1 February. The G20/OECD Inclusive Framework is now considering the input received and seeking to achieve agreement on any modifications to the minimum standard, reporting of MAP statistics and the assessment methodology later in 2021.

Since I last reported to you, the OECD has released the latest MAP statistics covering 105 jurisdictions and almost all MAP cases worldwide. The 2019 MAP Statistics and the 2019 MAP awards were presented during the second **OECD Tax Certainty Day** in November 2020 where tax officials and stakeholders from over 60 jurisdictions took stock of the tax certainty agenda and discussed ways to further improve dispute prevention and resolution. The discussions, which took place against the backdrop of the economic effects of the COVID-19 crisis, covered a wide range of tax certainty tools, including APAs, ICAP, bilateral and multilateral MAPs and FTA work on benchmarking.

The 2019 **MAP Statistics*** show the following trends:

- Number of cases keeps increasing. Approximately seven MAP cases were started every day in 2019 (three transfer pricing cases and four other cases). This amounts to almost 2 700 new cases in 2019 alone. This is more than in 2018 (+ 20% for transfer pricing cases and +10% for other cases) and means the number has nearly doubled since 2016. This trend is likely to continue with no significant reduction in MAP activity expected despite the COVID-2019 crisis. It is driven by a number of factors, including increased globalisation as well as growing confidence in and knowledge of the MAP process.

- Number of cases closed is increasing as well, but at a slower pace. Competent Authorities²⁰ were able to close more cases in 2019 than in 2018, but the increase cannot keep up with the increase in new cases. As a result, the inventories are increasing in the majority of jurisdictions, despite the fact that competent authorities have increased their capacity and closed approximately 50% more transfer pricing cases and 70% more other cases in 2019 than in 2016.
- Outcomes are generally positive. Around 85% of the MAPs concluded for transfer pricing cases in 2019 fully resolved the issue (compared to 80% in 2018), which reflects an improvement in the collaborative approach taken by competent authorities. For other cases, more than 70% were fully resolved (versus 75% in 2018). Like in 2018, only 2% of the MAP cases were closed without finding a mutual agreement.
- Cases still take a long time to be resolved. On average, MAP cases closed in 2019 lasted for 25 months (31 months for transfer pricing cases, 22 months for other cases). Also, while it is not possible to estimate the time that will be necessary to close still pending cases, the data shows that more than one-fifth of the 2019 end inventory has been pending for more than 4 years. For some jurisdictions, the cases that were already pending before the introduction of the minimum standard represent more than 40% of their 2019 end inventory (see 'compare your country' interactive tool).

The 2019 **MAP Awards**, given in recognition of particular efforts by Competent Authorities, saw the following winners: Japan for the shortest time in closing transfer pricing cases, ex-aequo with the United Kingdom, who also won the prize for other cases; Belgium for the smallest proportion of pre-2016 cases in end inventory; and Belgium and Norway for the most effective caseload management. The collaborative award for the pairs of jurisdictions that dealt the most effectively with their joint caseload were India-Japan for transfer pricing cases and Norway-United States for other cases.

Work on tax certainty and dispute prevention

Update on the progress in the International Compliance Assurance Programme

The International Compliance and Assurance Programme (ICAP) is a voluntary programme for a multilateral co-operative risk assessment and assurance process. It is designed to be an efficient, effective and co-ordinated approach to provide multinationals that are willing to engage actively, openly and in a fully transparent manner with increased tax certainty with respect to certain of their activities and transactions. ICAP does not provide a multinational group with legal certainty as may be achieved, for example, through an advance pricing arrangement (APA). It does, however, give comfort and assurance where tax administrations participating in an MNE group's risk assessment consider covered risks to be low risk. Where an area is identified as needing further attention, work conducted in ICAP can improve the efficiency of actions taken outside the programme, if needed.

The first ICAP pilot was launched in Washington D.C. in January 2018 with 8 tax administrations and a second pilot, involving 19 tax administrations, began in 2019. At the FTA Plenary, held in December 2020, Commissioners agreed that ICAP should move from a pilot phase to an established programme open to all FTA members, with the next intake of MNEs in the second half of 2021. A new programme handbook, reflecting changes based on experience in the two pilots, was recently released on 18 February 2021 and ICAP is now being run as a full programme open to all FTA member tax administrations. As well as providing benefits to MNE groups participating in the programme, the experience in ICAP should also support greater multilateral engagement between tax administrations outside of the programme, for example through the development of an early certainty process for MNE groups within the scope of Pillar One, which draws on elements of ICAP. Further outcomes of this

²⁰ Competent authorities of contracting states in a bilateral tax agreement are the authorities tasked with resolving disputes on the proper application or interpretation of treaty provisions.

innovative programme will become clearer as participating tax administrations continue to work with MNE groups within the ICAP framework.

Advance Pricing Arrangements

APAs have successfully contributed to providing both taxpayers' and tax administrations' certainty in advance in an increasing number of cases, and therefore are a valuable tool to ensure predictability of the tax treatment of international transactions. This work seeks to build on a number of factors already identified in the OECD Transfer Pricing Guidelines that may contribute to an efficient and effective APA programme. Since 2019, a focus group and an advisory group conduct analyses and work towards recommendations to improve the APA process in an effort to improve dispute prevention, which also includes using ICAP materials (such as ICAP-related risk assessments at the outset of the APA process to help determine the level of resources needed and the to-be applied timelines).

Although APAs and MAPS have traditionally been used in a bilateral context, transfer pricing issues are no longer only bilateral in nature, as a transfer pricing adjustment in one jurisdiction may have consequences for the allocation of profits in a number of other jurisdictions involved in a series of transactions. APAs also hold the promise of being used to possibly establish a tax certainty process for non-transfer pricing issues for taxpayers. An additional focus group composed of 18²¹ members and the advisory group currently work concurrently with the APA groups to explore the potential for wider use of multilateral MAP and APAs, improve dispute resolution processes and help enhance the tax certainty agenda.

Benchmarking

In addition to the work streams outlined above, the FTA also launched a new focus group on *Using Benchmarks to Improve Tax Certainty* in 2020, to explore the extent to which tax administrations already use standard benchmarks for particular sectors and activities, whether they are implicit or explicit, and whether the benchmarks themselves or the processes to identify them could be standardised to allow application to similar cases without further detailed consideration of each case, reducing the resource burden on groups and tax administrations. This in turn could lead to a reduction in resources required to settle MAP cases and APAs thereby enhancing tax certainty. A total of 24 jurisdictions²² are currently participating in the focus group, out of which an advisory group has been established.

Joint audits

Work also continues on joint audits, a project established in early 2018 by the FTA which seeks to foster collaboration between tax administrations. One form of co-ordinated action undertaken by tax administrations in this regard is conducting audits in close co-operation with other jurisdictions. A dedicated, secure webpage was recently established with profiles and FAQs on joint audits for tax administrations. The website has brought together experienced jurisdictions with less experienced jurisdictions with a view to conducting a joint audit pilot once COVID-19 travel restrictions ease.

²¹ Australia, Austria, Canada, China, Colombia, Denmark, Germany, India, Ireland, Italy, Japan, Netherlands, Norway, Poland, Spain, Thailand, United Kingdom and the United States

²² Australia, Belgium, Canada, China, Colombia, Denmark, France, Germany, India, Ireland, Italy, Japan, Mexico, Netherlands, Norway, Poland, Singapore, Spain, South Africa, Sweden, Switzerland, Thailand, the United Kingdom and the United States

5 Tax transparency developments

“We welcome the progress made on implementing the internationally agreed tax transparency standards and on the established automatic exchange of information.”

**Leaders' Declaration,
G20 Riyadh Summit,
November 21 - 22,
2020**

Since our last meeting, the international community has continued to make great progress in the fight against offshore tax evasion and avoidance through the implementation of transparency standards. We have now established that EUR 107 billion of additional revenues (tax, interest, penalties) have been identified as a result of tax transparency efforts to date, thanks in particular to voluntary disclosure programmes and offshore tax investigations.

In 2019, countries automatically exchanged information on 84 million financial accounts worldwide, covering total assets of EUR 10 trillion. Since the G20 declared the end of bank secrecy in 2009, bank deposits in international financial centres (IFCs) have fallen by USD 410 billion and there was a global decline in foreign-owned bank deposits in IFCs of 24% (USD 410 billion) between 2008 and 2019.²³

The tax transparency agenda continues to adapt to new trends in the economy including via the development of model reporting rules for the sharing and gig economy and a new tax reporting framework to be finalised later this year to ensure crypto-assets are included in tax transparency standards. Both frameworks aim to enhance tax compliance in the increasingly digitalised economy.

Progress on Automatic Exchange of Information (AEOI)

Since I last reported to you, the Global Forum published the first peer reviews of the implementation of the AEOI standard for AEOI in December 2020.²⁴ The peer reviews, which assessed the legal frameworks in 100 jurisdictions engaged in AEOI, showed that 88% of jurisdictions committed to commence exchanges by 2017 or 2018 have satisfactory legal frameworks in place. The second stage of the peer review process, now underway, will assess the effectiveness in practice of AEOI. The AEOI standard was first introduced in 2014 in line with the G20 objective to advance the global agenda on transparency and the exchange of information for tax purposes. All members of the Global Forum, aside from developing countries that do not host a financial centre, were then asked to commit to automatically exchanging financial account information under the AEOI standard by 2017 or 2018.

The implementation of the AEOI standard remains on track. Almost all committed jurisdictions have commenced exchanges. Two jurisdictions (**Sint Maarten** and **Trinidad and Tobago**) have not yet exchanged information because their legal implementation is ongoing and two jurisdictions (**Dominica** and **Niue**) have not yet exchanged information because their technical implementation is ongoing. The Global Forum will continue to work with and support jurisdictions that have not delivered on their commitments to commencing exchanges to ensure a level playing field.

²³ O'Reilly, P., K. Parra Ramirez and M. A. Stemmer (2019), *Exchange of Information and Bank Deposits in International Financial Centres*, OECD Taxation Working Papers, No. 46, OECD Publishing, Paris, <https://doi.org/10.1787/025bfebe-en>

²⁴ OECD (2020), *Peer Review of the Automatic Exchange of Financial Account Information 2020*, OECD Publishing, Paris, <https://doi.org/10.1787/175eeff4-en>.

In total, 105 jurisdictions were due to exchange information by the end of 2020 (including **Nigeria, Oman and Peru** for the first time) and the network of exchange relationships has now increased by 15%, to approximately 7 000. This figure is set to increase to 115 jurisdictions by 2023, with **Albania**,²⁵ **Ecuador, Kazakhstan, Maldives, Kenya, Morocco, Georgia, Jordan, Montenegro and Thailand** committed to starting exchanges in the coming years. While recognising the huge progress made, there is still work to do to ensure that the AEOI standard is fully effective in delivering on the G20 objective of tackling tax avoidance and evasion. The Global Forum remains committed to ensuring that the few remaining jurisdictions delayed in commencing exchanges deliver on their commitment and that each jurisdiction that has implemented the AEOI standard has done so in a way that works effectively in practice.

Update on the list of jurisdictions that have not satisfactorily implemented the tax transparency standards

The G20 Finance Ministers have requested the OECD to regularly report on the jurisdictions that fail to comply with the tax transparency standards, to ensure a level playing field. Since December 2018, the number of identified jurisdictions has decreased from 15 to 5 today. I last reported to you in October 2020 that five jurisdictions had failed to comply (**Dominica, Niue, Sint Maarten and Trinidad and Tobago and Anguilla**). I am now pleased to report that no further jurisdictions have received a non-compliant rating in the Exchange of Information on Request (EOIR) reviews. The Global Forum is working closely with all of these jurisdictions to provide the necessary assistance and guidance to ensure a global level playing field.

I will report to you on the progress made and identify any jurisdictions that still do not comply by the time of your next meeting. In general, jurisdictions' performance on the EOIR standard remains strong, with 85% of jurisdictions reviewed in the second round of the EOIR peer reviews having received a satisfactory overall rating ("Compliant" or "Largely Compliant"). Almost half of the Global Forum members have now been reviewed in this round with 20 reports finalised in 2020, despite the challenges faced during the COVID-19 pandemic.²⁶

²⁵ Albania voluntarily committed to 2021, but started exchanges already in 2020: www.oecd.org/tax/transparency/documents/aeoi-pilot-project-between-albania-italy-and-the-global-forum-secretariat-concludes-successfully.htm

²⁶ 2020 Global Forum Annual Report *Tax Transparency and Exchange of Information in Times of COVID-19* www.oecd.org/tax/transparency/documents/global-forum-annual-report-2020.pdf

6 Capacity building – Supporting developing countries

“We will continue our support to developing countries in strengthening their tax capacity to build sustainable tax revenue bases.”

Leaders' Declaration, G20 Riyadh Summit, November 21 - 22, 2020

As per your mandate, much work is being carried out to ensure that developing jurisdictions benefit from the tax transparency and BEPS standards and are part of the discussions on the tax and digitalisation project. As the COVID-19 crisis continues to unfold and with the increased pressure on budgets, the work to build effective tax systems in developing countries has never been more important and must remain a priority during the recovery phase. The combination of domestic and international actions will help broaden the tax base and contribute to fortifying domestic resource mobilisation.

Unlocking what drives tax morale, which is the intrinsic willingness to pay tax, can greatly assist governments in the design of tax policies and their administration, particularly in developing countries where compliance rates are low. Two roundtables on tax morale have been organised in co-operation with regional tax organisations in the Asia-Pacific and Eurasia regions bringing together about 250 representatives from tax administrations, MNEs operating in the region, tax professionals, and relevant business associations to discuss ways to improve co-operation and trust between MNEs and tax authorities.

Supporting countries in their COVID-19 responses

Although the restrictions introduced as a result of the COVID-19 crisis have undoubtedly presented challenges to capacity building efforts, the delivery of work has pivoted to virtual channels. While these changes pose certain challenges, they have also provided opportunities, in particular, in terms of the breadth of participation that can be achieved and considerable efforts have continued to provide capacity building support virtually. Although the COVID-19 pandemic has had an impact on the delivery of courses by the Academy for Tax and Financial Crime Investigation on site, most of the programmes have been replaced by virtual trainings until the COVID-19 pandemic eases.

The OECD has also prioritised work on a range of targeted and temporary tax policy and tax administration measures governments could consider as part of their immediate response to COVID-19 during the past year. The FTA has provided an overview of strategies and measures that tax administrations may wish to consider to help ensure the delivery of their core functions and services during a period of possibly severe capacity constraints. Working together with the Regional Tax Organisations, four regional dialogues were held on tax policy, tax administration and business continuity in the context of COVID-19. These took place with the African Tax Administration Forum (ATAF), the Asian Development Bank (ADB), Commonwealth Association of Tax Administrators (CATA), Pacific Islands Tax Administrators' Association (PITAA), Caribbean Organisation of Tax Administrators (COTA) and Caribbean Community (CARICOM). The four workshops brought together more than 350 tax officials from over 50 jurisdictions.

Update on Tax Inspectors Without Borders

Tax Inspectors without Borders has helped raise over **USD 775 million** in additional tax revenues and overall tax assessments in excess of over **USD 2.3 billion** up to end 2020

TIWB, a joint OECD/UNDP initiative launched in July 2015 to strengthen developing countries' auditing capacity and multinationals' compliance worldwide, has gained relevance in the COVID-19 era as a practical tool to help developing countries collect all the taxes due from MNEs. When I last reported to you in October 2020, I noted that TIWB assistance had delivered more than USD 537 million in additional revenue for developing countries up to June 2020. I am pleased to report that the TIWB initiative, including anonymised casework conducted during ATAF/OECD/WBG workshops, has helped raise over USD 775 million in additional tax revenues and overall tax assessments in excess of USD 2.3 billion up to the end of 2020.

The TIWB Annual Report 2020,²⁷ launched at a side event to the 75th Regular Session of the United Nations General Assembly in September 2020, reflects on the achievements made under the TIWB Initiative from January 2019 to June 2020. In addition to outlining growth and results achieved to date, the report includes information on the recent stocktake of the initiative and recommendations for the future. As such, the TIWB Governing Board has approved an expansion of the initiative into new areas of tax assistance: criminal tax investigation, effective use of AEOI, joint audits, and natural resources and environmental tax issues.

TIWB is expanding its scope, with 42 programmes completed, 42 ongoing and 21 forthcoming as of 1 February 2021. The initiative is implementing or has implemented programmes in 45 countries and jurisdictions worldwide. Despite the difficulties posed by COVID-19, TIWB programmes remain fully operational and will continue to expand across the globe in 2021. TIWB is also expanding into new tax areas. Work is underway to test the feasibility of moving into the tax crime domain with five pilot programmes already initiated in pilot host countries (Armenia, Colombia, Kenya, Pakistan, and Uganda). Specific Action Plans for each pilot country are in development, outlining possible ways to strengthen tax crime investigation capacity based on the OECD Ten Global Principles for Fighting Tax Crime (Ten Principles).

Capacity building efforts for the implementation of the BEPS package

To date, 43 bespoke induction programmes to support new members of the G20/OECD Inclusive Framework to implement their BEPS priorities and build capacity have been launched to date. These programmes generally incorporate high-level engagement with key decision makers and other stakeholders – to help ensure political support for necessary legislative or regulatory reforms – as well as technical workshops at a working level and ongoing remote support. In addition to the BEPS minimum standards, such programmes cover other BEPS topics that are of particular interest to the country in question, such as transfer pricing or limiting excessive interest deductions. Due to the pandemic, the last two induction programmes were launched virtually.

In addition, in-depth, bilateral technical assistance and capacity building support on BEPS to increase domestic resource mobilisation has been carried out or is ongoing in 41 developing countries, often in collaboration with regional and other international partners such as the African Tax Administration Forum (ATAF), the European Union (EU), World Bank Group and the Inter-governmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF). New transfer pricing and BEPS-related legislation and regulations have been approved or are in the process of being implemented in many of

²⁷ OECD/UNDP (2020), *Tax Inspectors Without Borders Annual Report 2020*, OECD, Paris, www.tiwb.org/resources/reports-case-studies/tax-inspectors-without-borders-annual-report-2020.htm.

these countries. Support has also included organisational restructurings, skills building and mentoring, covering developing countries in Africa, the Asia-Pacific, and Latin America and the Caribbean.

While many of these programmes focus on key BEPS risks such as transfer pricing, in some cases programmes include a sectoral focus, including “deep dives” on the mining industry in a number of resource-rich developing countries.

Between March and December 2020, 43 virtual workshops and seminars were held under the Global Relations Programme to replace face-to-face events cancelled due to restrictions associated with the COVID-19 pandemic. Delivered through the Knowledge Sharing Platform (KSP) in English, French, Spanish, Chinese or Russian, over 6 500 tax officials from more than 160 jurisdictions participated in these training events. The virtual workshops are designed to be as interactive as possible, including using polling questions to seek feedback and guide the event as well as chat functions and breakout rooms to facilitate case studies and discussion forums.

During the course of 2020, efforts to ramp up e-learning offerings have been redoubled, with new modules on beneficial ownership, enterprise risk management, business continuity for tax administrations and tax administration responses to COVID-19. E-learning modules are available as stand-alone blocks, or as part of blended learning workshops. Between January and December 2020, the number of e-learning users on the Knowledge Sharing Platform increased by more than 302%, reaching a total of over 18 000 users in December 2020.

In 2020 alone, over 30 000 tax officials were trained through the entire offer of capacity building activities, including both bilateral and multilateral virtual training and e-learning modules.

CAPACITY BUILDING

- 43 bespoke induction programmes for new members
- Bilateral technical assistance activities for 41 developing countries
- Collaboration with regional and international partners such as ATAF, the EU and WBG
- Effective remote assistance
- Over 18 000 users of the e-learning Knowledge Sharing Platform
- Over 35 000 tax officials covered through outreach, capacity building assistance, virtual workshops and e-learning.

Capacity building work of the Global Forum

Launched in 2011, the Global Forum capacity building programme has expanded over the past ten years to cover new areas. Capacity building is now one of the core duties of the Global Forum. It aims at supporting and enabling a rapid and effective implementation of the transparency and exchange of information standards by all members, in particular the developing ones. Fifty-five percent of Global Forum members are now developing countries (88 from 162).

During the pandemic, demand for capacity building support, commitment to the transparency agenda and engagement with jurisdictions has intensified in recognition of the revenue mobilising potential of transparency. The Global Forum’s capacity building work has expanded, with 70 jurisdictions receiving assistance in 2020 and the level of satisfaction rated at 4.5 out of 5. Over 7 500 officials from 157 jurisdictions have been trained, almost exclusively remotely. The regional initiatives have spurred further progress. New tools and innovative approaches have been welcomed by members and will continue to be used, as necessary, beyond the pandemic.²⁸

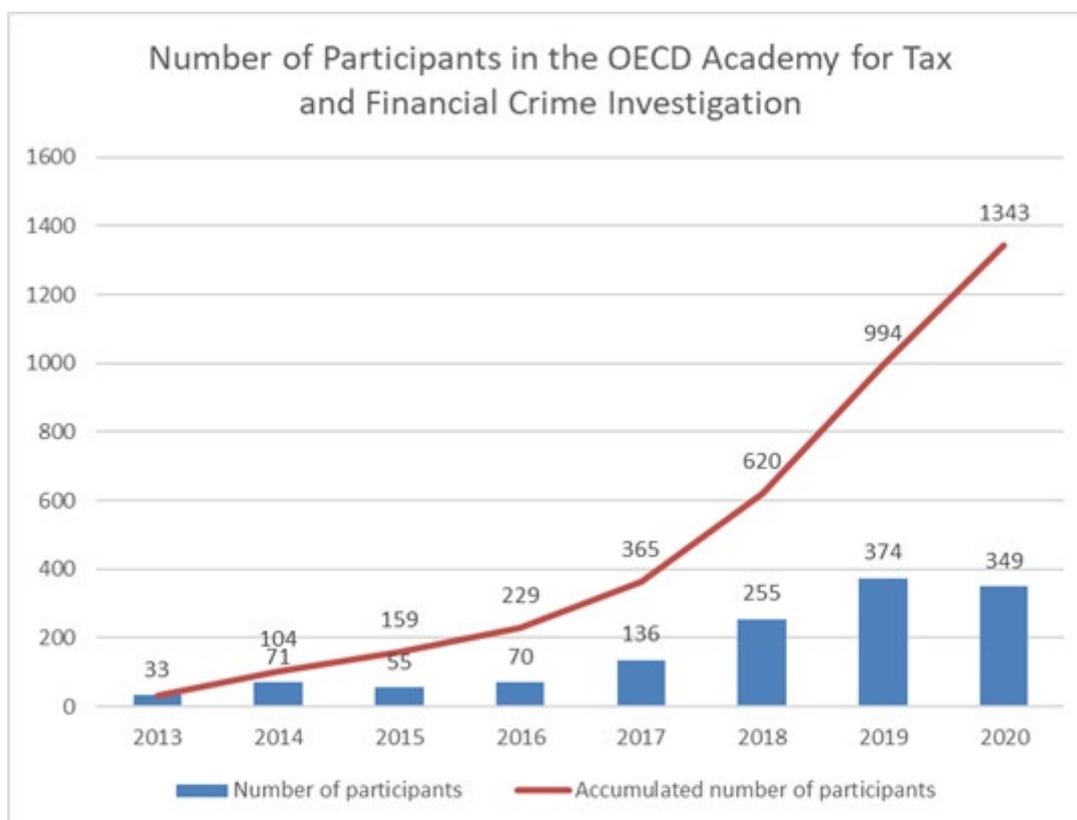
²⁸ See also Global Forum Annual Report 2020, www.oecd.org/tax/transparency/documents/global-forum-annual-report-2020.pdf

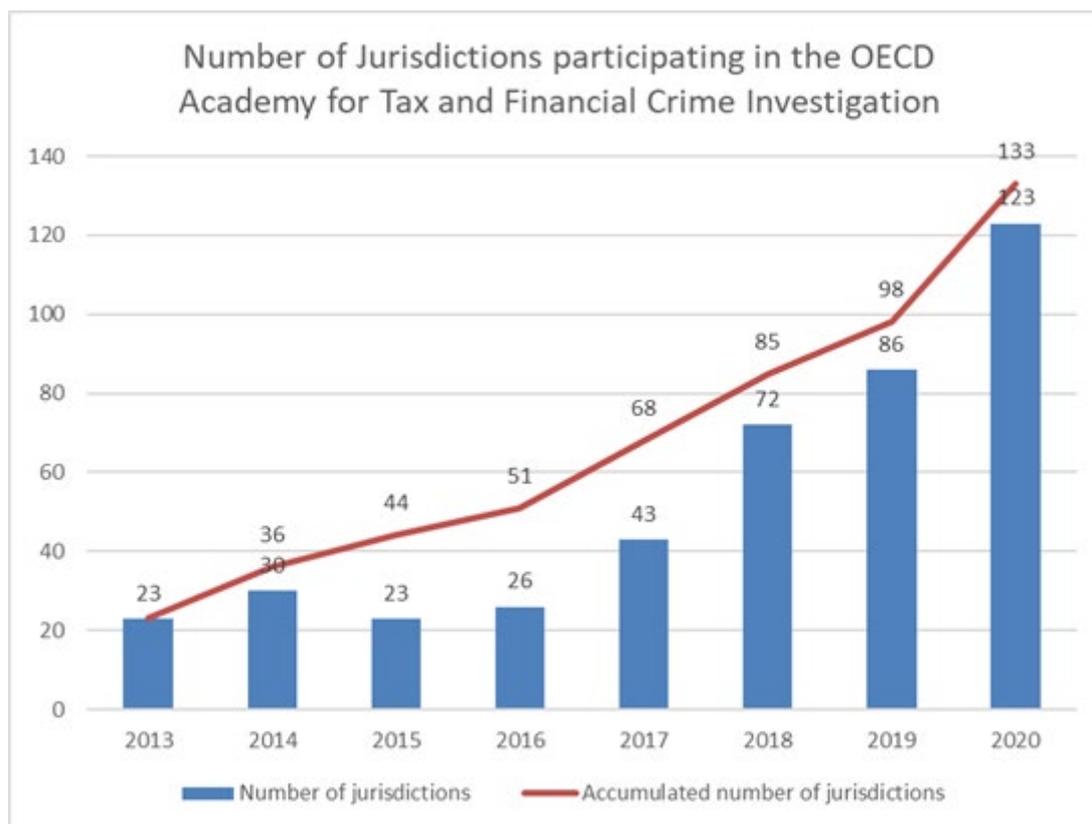
Update on tax and crime

Tackling tax crimes and other financial crimes is an important area where capacity building is needed. Without tackling the most serious tax evasion and related financial crimes such as money laundering and corruption, the gains made by building inclusive and resilient economies can be undermined. The OECD, with the support of the G20, has made capacity building a key pillar of its work in addressing tax crimes.

Academy for Tax and Financial Crime Investigation

To date, the Academy for Tax and Financial Crime Investigation (Academy) has trained over 1 300 financial crime investigators from more than 130 jurisdictions, with demand for participation continuing to outpace supply. To address ongoing demand, the Academy has in recent years expanded beyond its International Centre in Italy and established regional centres for Latin America and the Caribbean (Argentina) and Asia-Pacific (Japan), and has an ongoing pilot programme for Africa (Kenya). During the COVID-19 pandemic, the Academies transitioned into the virtual sphere, with 12 programmes delivered via Zoom. The virtual programmes helped the Academies expand its reach to more developing countries – only in 2020, they saw participants from 35 jurisdictions that had not previously taken part in the programmes.





The OECD continues to work to ensure the effectiveness of its capacity building in tax crime and financial crime. This includes ***Training the Trainer*** workshops to equip investigators from developing countries with the skills needed to train their colleagues at home; the creation of an ***International Tax Crime Advisory Board*** to bring developing countries, donors, international organisations, and Academy trainers together to develop strategic approaches to tax crime capacity building; a training needs assessment study for the Africa Academy; and the development of new pilot programmes for bilateral capacity building in tax crime for developing countries.

Task Force on Tax Crimes and Other Crimes

The OECD's Task Force on Tax Crimes and Other Crimes (TFTC) has a mandate to improve co-operation between tax and law enforcement agencies, including anti-corruption and anti-money laundering authorities, to counter financial crimes more effectively. The TFTC's work is carried out in connection with the OECD's Oslo Dialogue, a whole of government approach to tackling tax crimes and other financial crimes.

Since I last reported to you, the Tax Crime Investigation Maturity Model, a new diagnostic tool, has been published by the OECD as part of the TFTC work, which will allow jurisdictions to self-assess their capabilities across a range of legal, strategic and operational areas to support their efforts to tackling tax crime effectively.²⁹ Based on the OECD's 2017 publication, *Fighting Tax Crime: The Ten Global Principles*³⁰, the model charts out an evolutionary path across four levels of maturity: Emerging, Progressing, Established and Aspirational, to show how enforcement capabilities are enhanced through continuous process improvement and holistic implementation of each of those principles.

²⁹ OECD (2020), *Tax Crime Investigation Maturity Model*, OECD, Paris, www.oecd.org/tax/crime/tax-crime-investigation-maturity-model.htm.

³⁰ OECD (2017), *Fighting Tax Crime: The Ten Global Principles*, OECD, Paris. www.oecd.org/tax/crime/fighting-tax-crime-the-ten-global-principles.htm.

The processes used for implementing the Ten Global Principles are used as the objective criteria for mapping the maturity level in a jurisdiction. These are processes that have been identified across multiple jurisdictions, which have helped to achieve defined outcomes and the overall objective of the tax crime investigative agencies. At higher levels of maturity, the tax crime investigation regime is effective, supports the integrity of the tax system and Sustainable Development Goals of domestic resource mobilisation and countering illicit financial flows.

Update on the Platform for Collaboration on Tax

The Platform for Collaboration on Tax (PCT) is a joint initiative of the International Monetary Fund (IMF), OECD, United Nations, and the World Bank Group to strengthen collaboration on domestic resource mobilisation. The PCT, launched in April 2016, fosters collective action for stronger tax systems in developing and emerging countries. Many of the actions of the 2018 PCT Action Plan have now been delivered, and a new work plan is being developed. A full update on activities will be delivered later in the year. Since I last reported to you, the PCT has continued developing toolkits under a mandate from the G20, with the toolkit on Transfer Pricing Documentation published on 19 January.³¹ Workshops and e-learning modules are being developed to accompany this and other toolkits already produced. The PCT also continues to support the Medium Term Revenue Strategy (MTRS) concept.

In 2020, the PCT launched a new integrated website that provides extensive information on how low- and middle-income countries can strengthen tax systems and mobilise the domestic revenue they need to address some of their urgent development challenges—including the COVID-19 pandemic. The new user-friendly website features an interactive database that allows users to see—on a country-by-country basis—the latest information on the tax-related activities of the four organisations. Since I last reported to you this database has been updated to provide more information on the individual projects. It also offers toolkits, publications, and practical guidance on tax issues, including latest tax knowledge resources related to COVID-19 response.

³¹ IMF/OECD/UN/WBG (2020) *Practical Toolkit to Support the Successful Implementation by Developing Countries of Effective Transfer Pricing Documentation Requirements*, IMF/OECD/UN/WBG, Washington D.C. www.tax-platform.org/sites/pct/files/publications/PCT_Toolkit_TP_Documentation.pdf

Part II Global Forum on Transparency and Exchange of Information for Tax Purposes Progress Report to the G20

Introduction

In December 2020, the Global Forum held its first virtual Plenary Meeting, which brought together over 800 participants from almost 140 jurisdictions, and 11 international organisations and regional groups. Ministers and representatives from the academic community, civil society and the media also participated. This large and high-level participation underscores a growing recognition that strengthening transparency and exchange of information for tax purposes is part of the global solution to support domestic revenue mobilisation in these difficult times. The international community follows the progress in this area with considerable interest.

Despite the unprecedented conditions, the progress in transparency and exchange of information has remained strong. The Global Forum and its 162 member jurisdictions have adapted and cross-border co-operation continued.

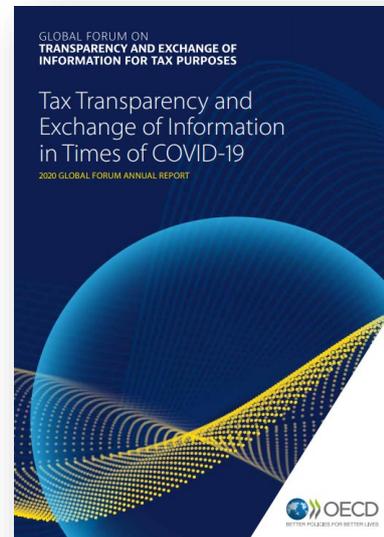
The implementation of the AEOI standard is on a good track. In December 2020, the Global Forum released the first results of the AEOI peer reviews for 100 jurisdictions that committed to exchange information by 2017 or 2018. Almost all committed jurisdictions commenced exchanges. The legal frameworks of 88% of the jurisdictions have been determined to be “In Place” or “In Place But Needs Improvement”.

The jurisdictions’ performance on transparency and the exchange of information on request (EOIR) standard remains strong, with 85% of jurisdictions reviewed in the second round of the EOIR peer reviews having received a satisfactory overall rating (“Compliant” or “Largely Compliant”). With 20 reports finalised in 2020, almost half of the Global Forum members have been reviewed in this round.

During the pandemic, demand for capacity building support has increased. The Global Forum’s assistance has been delivered to 70 jurisdictions in 2020 and was highly rated by members (4.5 out of 5). Over 7 500 officials from 157 jurisdictions have been trained through virtual training and e-learning. The regional initiatives have made successful progress towards their goals. New tools and innovative approaches have been welcomed by members and will remain part of the capacity building offering, as necessary, beyond the pandemic.

This progress brings tax revenues. At least EUR 107 billion in additional revenue (tax, interest, penalties) have been identified worldwide through voluntary disclosure programmes and offshore tax investigations against the backdrop of the increased transparency and exchange of information. Of this amount, EUR 29 billion were reported by developing countries.

The international community remains determined to pursue further progress in the field of transparency and exchange of information for tax purposes. A new Task Force on Risk has been set-up, with a mandate to identify possible risks to the implementation of the transparency and exchange of information standards.



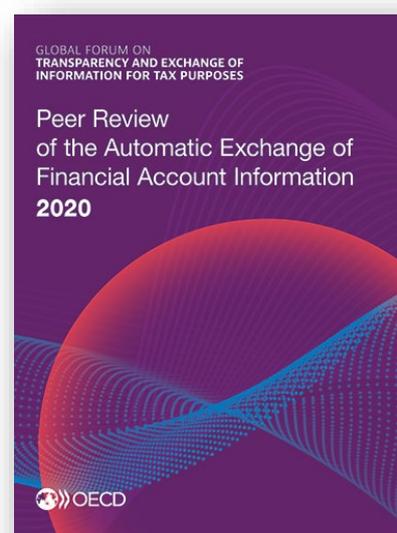
1 AEOI Implementation

Since the endorsement by the G20 of the automatic exchange of financial account information in tax matters and the launch of the Global Forum commitment process, massive progress has been achieved in making AEOI a truly global standard. Today, 115 jurisdictions are committed to exchange financial account information automatically by 2023. The first results of the AEOI peer reviews, released in December 2020, confirm that the legal frameworks put in place to implement the AEOI standard are generally of high quality and incorporate the key requirements. The Global Forum has already commenced the reviews of the effectiveness of AEOI in practice.

Delivering first results of the AEOI peer reviews of the legal frameworks

The peer review of the domestic and international legal frameworks put in place to implement the AEOI standard has been central to the Global Forum’s work for several years, culminating with the publication of the first results in December 2020.³² *The Peer Review of the Automatic Exchange of Financial Account Information 2020* covers 100 jurisdictions committed to commence exchanges under the AEOI standard in either 2017 or 2018.³³ It contains determinations on the extent to which each jurisdiction has the necessary legal frameworks to implement the AEOI standard in place, namely:

- **The domestic legal frameworks** to require Financial Institutions to conduct the due diligence and reporting procedures (Core Requirement 1, hereafter “CR1”), and
- **The international legal frameworks** to exchange the information, including whether jurisdictions have exchange relationships in effect with all Interested Appropriate Partners³⁴ (Core Requirement 2, hereafter “CR2”).



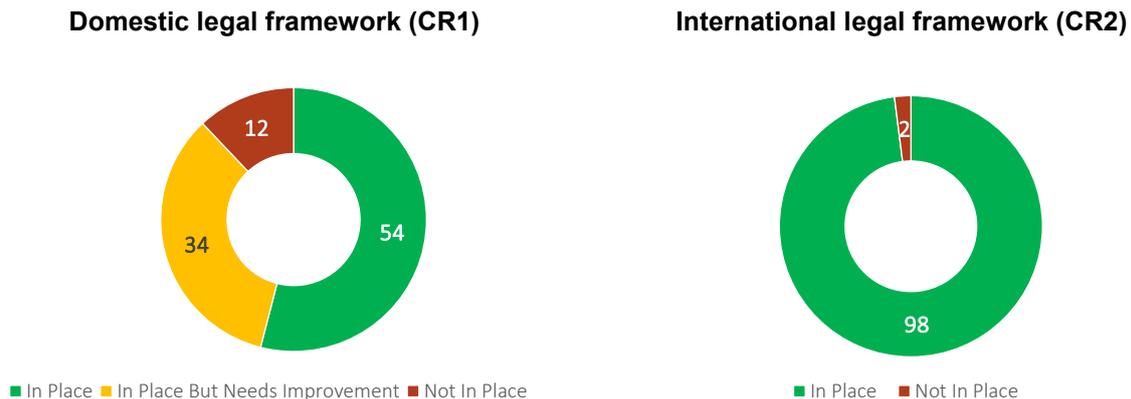
³² The process takes place in accordance with the AEOI Terms of Reference, see OECD (2018), *The Framework for the Full AEOI Reviews: The Terms of Reference*, OECD, Paris, www.oecd.org/tax/transparency/documents/aeoi-terms-of-reference.pdf.

³³ OECD (2020), *Peer Review of the Automatic Exchange of Financial Account Information 2020*, OECD Publishing, Paris, www.oecd-ilibrary.org/taxation/peer-review-of-the-automatic-exchange-of-financial-account-information-2020_175eeff4-en.

³⁴ All those jurisdictions interested in receiving information that meet the expected standards in relation to confidentiality and data safeguards.

The results indicate a high level of compliance of the legal frameworks put in place to implement the AEOI standard (see Annex II.A). Of the 100 jurisdictions that committed to commence exchanges in 2017 or 2018, virtually all (98) have in place an international legal framework that is fully in accordance with the AEOI Terms of Reference and a vast majority (88) have a domestic legal framework that has been determined to be either “In Place” or “In Place But Needs Improvement” (see Figure 1).

Figure 1. Distribution of AEOI peer reviews’ determinations on the legal frameworks



The majority (54 out of 100) jurisdictions received an overall determination of “In Place”. These jurisdictions have the required domestic and international legal frameworks that are fully in accordance with the AEOI Terms of Reference and the Global Forum has issued them a determination of “In Place” for CR1 and CR2, resulting in an overall determination of “In Place”. This demonstrates a high level of compliance with the AEOI standard.

A further 34 jurisdictions received an overall determination of “In Place But Needs Improvement”. This is because while their international legal framework is “In Place” (CR2), the report includes one or more recommendations to make amendments to their domestic legislative framework in order for it to be fully consistent with the AEOI Terms of Reference. This also demonstrates a good level of compliance with the AEOI standard.

The remaining 12 jurisdictions received an overall determination of “Not In Place”, of which 10 have implemented a domestic legal framework which contains many of the requirements, but which includes deficiencies viewed as being of a level of significance that could undermine the operation of the AEOI standard. The remaining two jurisdictions have not yet implemented a domestic legal framework (i.e. they have not yet brought into effect the necessary primary and secondary legislation containing the due diligence and reporting procedures).

These results have been delivered through continuous and productive co-operation of Global Forum members. In total, 64 jurisdictions have implemented changes in response to the recommendations made by the Global Forum to bring their due diligence, reporting and enforcement frameworks in accordance with the AEOI standard. Many jurisdictions had addressed the issues as soon as they were raised, even before the peer reviews were even completed and the recommendations issued. Out of over 700 recommendations made as part of the AEOI peer review process, more than 450 have already been addressed by jurisdictions.

In particular, the following aspects of the AEOI implementation have been improved:

- **Due diligence procedures.** Most jurisdictions have made significant improvements to the specification of the due diligence procedures, which was the most common area where recommendations were made. Around 80% of the original recommendations made in this area have been addressed.
- **Definitions of Reporting Financial Institutions and Reportable Financial Accounts.** Good progress has also been made in addressing deficiencies in defining the scope of Reporting Financial Institutions and Reportable Financial Accounts, including ensuring that jurisdiction specific exclusions are aligned with those permitted under the standard. Around 50% of the recommendations concerning definitions and exclusions have been addressed.
- **Enforcement of due diligence and reporting obligations.** Some progress has also been made on closing the gaps found in the legal frameworks which are necessary to underpin the enforcement of due diligence and reporting obligations. While these deficiencies can require more substantive amendments to legal frameworks, jurisdictions have already addressed around 40% of the recommendations made.

More changes are expected in the future with some delays in the legislative process of certain jurisdictions attributed directly to the effects of the COVID-19 pandemic. The Global Forum will continue to evaluate any improvements made to the legal frameworks to implement the AEOI standard and will publish updated analysis and conclusions by the end of 2021.

Evaluating the effectiveness of AEOI in practice

In order to fully deliver on the potential benefits of AEOI, the legal frameworks must not only be in place, but the standard must work effectively in practice. The Global Forum has commenced the peer reviews of the effectiveness in practice of the first 100 jurisdictions' implementation of the AEOI standard. This includes a detailed analysis of the operational frameworks in place to ensure compliance by Financial Institutions with the requirements and the input from peers on the completeness and accuracy of the information received. The Global Forum is due to publish the final results of this assessment in 2022.³⁵

Ensuring confidentiality and data safeguards

Keeping the information exchanged confidential and properly safeguarded is critical to the implementation of the AEOI standard. All jurisdictions are assessed by peers prior to their first round of exchanges to ensure that tax administrations intending to participate in AEOI have arrangements in place to ensure the confidentiality and safeguarding of the information to be exchanged. Furthermore, in 2020, the Global Forum commenced post-exchange assessments of jurisdictions participating in AEOI to peer review the actual arrangements being used to handle and use the data exchanged. As more jurisdictions join the exchanges, the Global Forum continues to undertake pre-exchange assessments.

Widening the AEOI community

Practically all of nearly 100 jurisdictions which committed to commence exchanges by 2017 or 2018 have now delivered upon their commitment. Only two jurisdictions, Sint Maarten and Trinidad and Tobago, are late in putting in place the necessary legal frameworks to implement the AEOI standard. A further two

³⁵ Deferred from 2021, in recognition of the challenges faced by the jurisdictions due to the global pandemic.

jurisdictions, Dominica and Niue, have in place the legal frameworks to implement the AEOI standard but that have not put in place the technical requirements for exchange. A fully effective AEOI standard requires there to be a level playing field and the Global Forum therefore continues to work closely with these jurisdictions to support them delivering on their commitments.

The AEOI commitment process has not stopped. More than a dozen jurisdictions have made a voluntary commitment to commence exchanges in 2019 and onwards. In 2020, Morocco and Kenya committed to start exchanges in 2022 and Georgia in 2023. In total, 115 jurisdictions are committed to exchange financial account information automatically by 2023 (see Table 1).

Table 1. AEOI: Status of commitments*

Year of commitment to first exchanges	Jurisdiction
2017	Anguilla, Argentina, Belgium, Bermuda, British Virgin Islands, Bulgaria, Cayman Islands, Colombia, Croatia, Cyprus**, Czech Republic, Denmark, Estonia, Faroe Islands, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hungary, Iceland, India, Ireland, Isle of Man, Italy, Jersey, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Montserrat, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Seychelles, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Turks and Caicos Islands, United Kingdom
2018	Andorra, Antigua and Barbuda, Aruba, Australia, Austria, Azerbaijan***, The Bahamas, Bahrain, Barbados, Belize, Brazil, Brunei Darussalam, Canada, Chile, China, Cook Islands, Costa Rica, Curacao, Dominica****, Greenland, Grenada, Hong Kong (China), Indonesia, Israel, Japan, Lebanon, Macau (China), Malaysia, Marshall Islands, Mauritius, Monaco, Nauru, New Zealand, Niue****, Pakistan***, Panama, Qatar, Russia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Singapore, Sint Maarten****, Switzerland, Trinidad and Tobago****, Turkey, United Arab Emirates, Uruguay, Vanuatu
2019	Ghana*** and Kuwait*****
2020	Nigeria***, Oman***** and Peru***
2021	Albania*****, Ecuador***, Kazakhstan*****, Maldives***
2022	Kenya***, Morocco***
2023	Georgia**, Jordan*****, Montenegro*****, Thailand*****

* The United States has undertaken automatic information exchanges pursuant to FATCA from 2015 and entered into intergovernmental agreements (IGAs) with other jurisdictions to do so. The Model 1A IGAs entered into by the United States acknowledge the need for the United States to achieve equivalent levels of reciprocal automatic information exchange with partner jurisdictions. They also include a political commitment to pursue the adoption of regulations and to advocate and support relevant legislation to achieve such equivalent levels of reciprocal automatic exchange.

** *Note by Turkey:* The information in the documents with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the “Cyprus issue”.

Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in the documents relates to the area under the effective control of the Government of the Republic of Cyprus.

*** Developing countries that do not host a financial centre and were not asked to commit to a specific date to exchange information, but have done so voluntarily.

**** These jurisdictions have yet to commence exchanges.

***** Developed countries that joined the Global Forum after the commitment process was conducted in 2014. They were therefore asked to commit to a particular timeline upon joining.

***** Jordan, Kazakhstan, Montenegro and Thailand were subject to the Global Forum process aimed at identifying jurisdictions relevant for the implementation of the AEOI standard and, if considered relevant, they would have been expected to commit to exchange under the AEOI standard to a particular timeline. They however voluntarily committed to implement the AEOI standard.

***** Albania voluntarily committed to 2021, but started exchanges already in 2020.

Taking stock of AEOI today

Growing cross-border information flows

The scale of automatic exchanges continues to increase. The network of exchange relationships has expanded from 6 100 by the end of 2019 to about 7 000 currently (15% increase). In 2019, nearly 100 jurisdictions automatically exchanged information on a record number of 84 million financial accounts, covering total assets of EUR 10 trillion. The 2020 figures, which are set to be released later this year, can be expected to be even higher.

Voluntary tax compliance has improved

Millions of taxpayers have come forward to voluntarily disclose their assets in the light of increasing transparency over offshore affairs. For instance, a small European country reported that over 60 000 taxpayers made use of the voluntary disclosure mechanism in 2016-19, of which 27 800 came forward in 2019, a marked increase compared to 3 300 in 2012.³⁶ In Asia, one developing country reported that more than 950 000 taxpayers made a disclosure in 2016.³⁷ This has been against the backdrop of the increased transparency, in particular AEOI. Billions of Euros worth of assets have been disclosed, generating revenues both in a short-term period through the associated tax and penalty charges, as well as long-term by enabling the subsequent taxation with respect to the disclosed assets.

Tax investigations on the basis of AEOI data are progressing

With automatic exchanges progressing and as experience is gained in data matching and analysis, increasing numbers of Global Forum members are reporting tax investigations opened on the basis of AEOI data. One developed country reported collecting over EUR 900 million as a direct result of AEOI in 2017-2019.³⁸ Developing country members also report gains with one member collecting nearly EUR 300 million in 2019 alone.³⁹

Co-operation continues, despite the pandemic

Automatic exchanges are carried on, despite the difficulties faced by the international community in 2020. In response to the operational challenges posed by the pandemic, at least 50 Global Forum members reported introducing special measures to continue effective automatic exchanges.⁴⁰ Many tax authorities moved to remote working. In certain cases, this affected their ability to collect, sort, validate and transmit the financial account information. Many jurisdictions exchanging automatically extended the internal reporting deadline for financial institutions to provide greater flexibility. The exchange deadline has been moved from September until December 2020.

³⁶ The 2020 Global Forum Annual Survey.

³⁷ Ibid.

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ 59% out of 127 members who responded to the 2020 Global Forum Survey.

2 EOIR implementation

Today, the 162 Global Forum members are committed to share information on request. The global exchange framework is vast, with about 30 000 requests having been received in 2019 alone. The second round of EOIR peer reviews, which have now covered nearly half of the Global Forum members, demonstrates an improved performance against the standard. A vast majority of reviewed jurisdictions have received a satisfactory overall rating. The availability of beneficial ownership information is a hotspot of changes with over 200 recommendations made in the second round and most of them being already reported by the jurisdictions as “addressed” or “in the process of being addressed”.

Ensuring strong co-operation on EOIR

Half of the Global Forum members (81 out of 162) have now been reviewed in the second round of EOIR peer reviews and the ratings assigned are generally very good: 85% of the jurisdictions have received a satisfactory overall rating (“Compliant” or “Largely Compliant”), 12% have been assessed as Partially Compliant and 3% as Non-Compliant (see Figure 2).

In 2020, 20 new reports were adopted and published by the Global Forum:

- **14 jurisdictions secured an overall rating of “Largely Compliant”**, i.e. Brunei Darussalam, Chile, China, Cyprus, Gibraltar, Greece, Korea, Macau (China), Slovak Republic, Switzerland and Uruguay. Three jurisdictions that received ratings for the first time this year also succeeded in getting a “Largely Compliant” overall rating (Papua New Guinea, Peru and Tunisia).
- **6 jurisdictions did not succeed in reaching a satisfactory level of implementation of the standard**, with an overall rating of “Partially Compliant” (Barbados, Dominica, Liberia, Malta and the Seychelles) and “Non-Compliant” (Anguilla). These ratings are mainly due to the gaps identified in the supervision and enforcement on laws and regulations essential for effective EOIR.

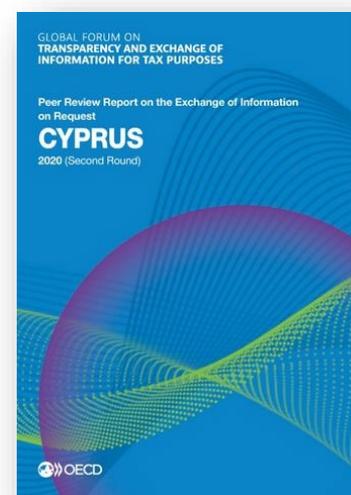
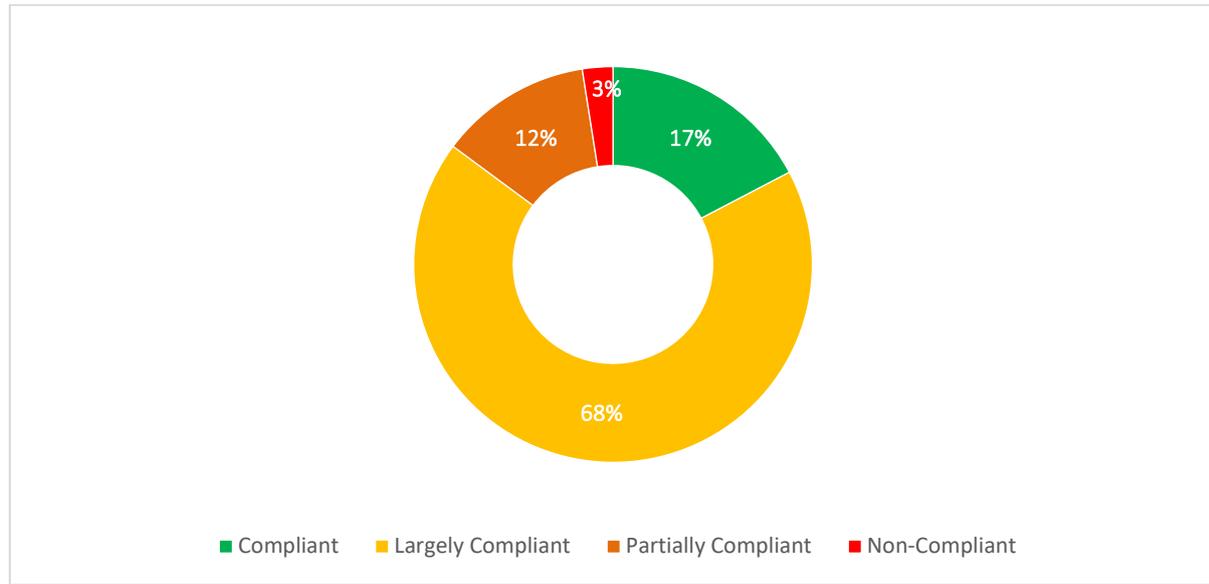


Figure 2. EOIR peer reviews: Ratings assigned in the second round

Overall, the reviewed jurisdictions performed better in the second round.⁴¹ Comparison between the two rounds demonstrates significant progress made, despite the strengthening of the standard between the two rounds, notably with the introduction of the requirement to have beneficial ownership information available: 27% of the jurisdictions have improved their rating in the second round and 51% retained it at the same level.

The massive scale of improvements is not always visible in the overall rating. In many instances, jurisdictions have addressed the regulatory deficiencies identified in the first round but received new recommendations, for instance, to ensure an effective implementation in practice of the new rules introduced to address previous recommendations made by the Global Forum. Further, the new requirement to ensure the availability and access to beneficial ownership information brings challenges and relative decline in overall or element-wise ratings for many jurisdictions.

The annual follow-up process,⁴² which allows jurisdictions to self-report steps taken on the recommendations that were given to them, shows that jurisdictions continue progressing towards better implementing the EOIR standard after having been reviewed. In 2020, the follow-up reports were presented by 76 jurisdictions. Out of 559 recommendations, 282 were reported as “addressed”, 235 as “in the process of being addressed” and only 42 as “not addressed”. Twelve jurisdictions reported having fully addressed all recommendations. Putting it differently, over 90% of recommendations have been reported by jurisdictions as either “addressed” or “in the process of being addressed”.

The beneficial ownership requirement emerges as a hotspot of changes triggered by the second round. One third of about 700 recommendations issued in the second round of the EOIR peer reviews pertain to ensuring the availability of information on beneficial owners of relevant entities and bank accounts. The

⁴¹ The Global Forum has produced 351 peer review reports on EOIR to date, of which 268 reports on 125 jurisdictions in the first round (2010-2016) and 83 reports in the second round (2016-ongoing).

⁴² Following the publication of its EOIR report, each reviewed jurisdiction is expected to submit a follow-up report through which, in respect of each recommendation made in the report, the jurisdiction has to indicate whether and how the recommendation has been addressed. Each year, once the follow-up reports are received, an analysis is carried out and presented to the Peer Review Group of the Global Forum. A qualitative analysis of responses is also carried out to identify the recommendations not addressed for three or more than three years, as well as where inadequate responses on practical implementation of the standard have been given. Tailored feedback is provided.

annual follow-up process indicates that a large majority of the jurisdictions are currently working on the recommendations received: over 40% of these recommendations have been reported as “addressed” and more than 50% as “in the process of being addressed”.

Adapting the methodology and the schedule for the EOIR peer reviews to the challenges of the global pandemic

Due to the COVID-19 pandemic, on-site visits had to be suspended from March 2020. The reports which have been adopted since relate to the reviews for which an onsite visit had taken place before the travel restrictions were imposed. The launch of new EOIR peer reviews was paused for nine months in 2020. The process resumed following the adoption of the changes in the methodology by the Global Forum in December 2020. To accommodate the constraints imposed by the pandemic while securing the robustness of the peer review process and the level playing field, it has been agreed that, while the travel bans persist, the EOIR peer reviews will focus on the legal and regulatory framework, with the effectiveness in practice being assessed when on-site visits are possible. The amended methodology and the latest schedule are available on the Global Forum website.⁴³

Ensuring a level playing field

In 2020, after an in-depth analysis of the situation of Nicaragua, the Global Forum concluded that it should be considered as a jurisdiction of relevance for the work of the Global Forum. Accordingly, Nicaragua was invited to join the Global Forum and its EOIR peer review will be scheduled in due course. Further, in 2021, the Peer Review Group on AEOI will discuss the relevance of this jurisdiction for AEOI purposes.

Taking stock of EOIR today

Growing cross-border information flows

In 2009, Global Forum member jurisdictions had jointly reported 9 208 incoming requests. This figure grew over the years and constituted 28 536 requests in 2019.⁴⁴ Some jurisdictions, including many international financial centres, moved from receiving none or just a handful of requests to dozens, hundreds or thousands. Overall, more than 300 000 requests have been received by Global Forum members between 2009 and 2019.⁴⁵

Along with individual requests, jurisdictions are making an increasing use of group requests. Group requests allow the request of information on taxpayers not individually identified but which have certain characteristics in common, for example, an account with a particular offshore bank. Whilst in 2009 only a few group requests were received by Global Forum members, the more recent figures reach several hundred in 2018 and in 2019.

⁴³ Global Forum, “Methodology for Round 2 peer reviews and non-member reviews on the implementation of the standard of transparency and exchange of information on request, as amended in 2020” www.oecd.org/tax/transparency/documents/Methodology-EOIR-peer-reviews_12-2020.pdf and “Exchange of Information on Request: Schedule of second round peer reviews 2016-2023” www.oecd.org/tax/transparency/documents/schedule-of-reviews.pdf.

⁴⁴ The 2020 Global Forum Survey (127 out of (then) 161 members responded).

⁴⁵ Ibid.

Response time is improving

Notwithstanding the increased volume of exchanges on request, the response time has also been improving. In the second round of EOIR peer reviews, close to 70% of requests are answered within 180 days. Approximately 84% of requests are answered within 1 year and only about 8% take over 1 year. The best performing jurisdictions, which had their exchange of information practice rated as “Compliant”, on average answer up to 83% of requests in 180 days.

The failure to obtain a response is rare

Information requested can be obtained in all but 1% of cases, which speaks to the high effectiveness of international co-operation and improvement in transparency. In the second round, over 90% of requests have been answered, less than 5% were still pending at the date of review, and 1% were withdrawn by the requesting jurisdiction. The remaining 3% were actually unanswered with about 2% declined for valid reasons and only in 1% of cases the relevant jurisdiction failed to provide an answer. Whilst many jurisdictions have answered all or practically all requests received in a timely manner, a few jurisdictions have been able to answer less than half of the requests received. The reasons for failures to provide the information were identified and recommendations issued to remedy the problem.

Exchange of information infrastructure improved globally

The improvement in co-operation is integral to wider enhancements, which have taken place in the communication with partners and in the organisation of exchange of information locally. Most jurisdictions have established dedicated units and introduced special procedures for ensuring effective co-operation, including based on the recommendations made by the Global Forum in the context of EOIR peer reviews and often with its technical assistance. For instance, the number of jurisdictions with a dedicated exchange of information unit in Africa has increased from 5 in 2014 to 20 in 2019.⁴⁶

Co-operation continues, despite the pandemic

Whilst these trends are positive, the full effect of the COVID-19 pandemic is yet to be understood. At least 50 Global Forum members reported introducing special measures to mitigate the effects of the health crisis and continue effective exchanges on request in 2020.⁴⁷ Many tax authorities moved to remote working. In certain cases, this affected their ability to process the incoming and outgoing requests expeditiously. These circumstances provided a strong trigger for a wider use of digital technologies. Many Global Forum members have introduced or expanded the use of digital transmission channels for incoming and/or outgoing requests. Communication with the information holders switched to electronic means. Some of these new arrangements have proven effective and are expected to continue post-pandemic.

⁴⁶ OECD (2020), *Tax Transparency in Africa 2020: Africa Initiative Progress Report 2019*, www.oecd.org/tax/transparency/documents/tax-transparency-in-africa-2020.htm.

⁴⁷ 59% out of 127 members who responded to the 2020 Global Forum Survey.

3 Capacity building

Many developing countries have been badly affected by the pandemic. The revenue mobilising potential of transparency has therefore become even more critical and member jurisdictions have demonstrated an increased appetite for capacity building activities. In response to this high demand, the Global Forum strengthened its tools to effectively support members remotely and set new ambitious goals.

Delivering capacity building support in the times of COVID-19

The COVID-19 pandemic challenged member jurisdictions and became a turning point for capacity building activities. To respond to this challenge, the Global Forum focused on remote assistance, virtual meetings and trainings, as well as developing other new tools. These swift changes enabled delivering comprehensive support across all areas of work.

Making trainings virtual

In 2020, virtual trainings took place at the unprecedented scale with more than 4 150 officials trained in 23 events. A variety of topics related to transparency and EOI have been covered, including 8 events specifically dedicated to beneficial ownership and attended by about 2 000 officials. In view of the great satisfaction of participants with virtual trainings, they will remain an integral part of the capacity building offering in the future.

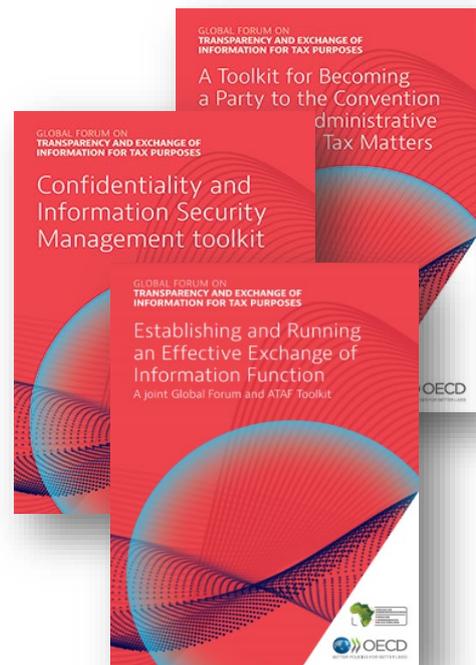
Developing e-learning courses

E-learning courses have proven successful, with close to 3 400 officials having taken them in 2020. A new beneficial ownership course, which was prepared with the Asian Development Bank (ADB) and made available in July 2020, has been already taken by more than 650 officials. A new EOIR course for tax auditors, competent authorities and dedicated staff, which was released in October 2020, has been taken by 240 officials.

Delivering new toolkits

Three toolkits have been released to provide background information and practical solutions to members, and in particular to developing jurisdictions that intend to enhance their exchange of information infrastructure:

- **Toolkit for Becoming a Party to the Convention on Mutual Administrative Assistance in Tax Matters** to help with expanding a network of exchange partners, which is critical for many developing countries.⁴⁸
- **Toolkit on Confidentiality and Information Security Management** to ensure that more developing countries can benefit from AEOI.⁴⁹
- **Toolkit on Establishing and Running an Effective EOI Function**, released with the African Tax Administration Forum (ATAF), to assist jurisdictions in strengthening their organisational capacity in exchange of information.⁵⁰



Advancing political commitments to the transparency agenda

Despite the global pandemic, the Global Forum has maintained close contact with senior officials and decision-makers around the world, which took place through digital channels. This allowed advancing the transparency agenda in the following directions:

- **To expand the membership of the Global Forum**, with three new countries (Mali, Palau and Viet Nam) joining in 2020 – amounting to 162 members.
- **To increase the number of participants to the Convention on Mutual Administrative Assistance in Tax Matters**, with 6 jurisdictions signing the Convention on Mutual Administrative Assistance in Tax Matters⁵¹ and 8 ratifying it⁵² in 2020 – totalling 141 participating jurisdictions (see Annex II.C).
- **To trigger new commitments to commence AEOI by a specific date**, with Morocco and Kenya committed to start exchanges in 2022 and Georgia in 2023 – amounting to 115 jurisdictions committed to exchange before September 2023.

⁴⁸ OECD (2020), *A Toolkit for Becoming a Party to the Convention on Mutual Administrative Assistance in Tax Matters*, OECD, Paris, www.oecd.org/tax/transparency/documents/convention-on-mutual-administrative-assistance-in-tax-matters-toolkit-en.htm.

⁴⁹ OECD (2020), *Confidentiality and Information Security Management Toolkit*, OECD, Paris, www.oecd.org/tax/transparency/documents/confidentiality-ism-toolkit_en.pdf.

⁵⁰ ATAF/OECD (2020), *Establishing and Running an Effective Exchange of Information Function: A joint Global Forum and ATAF Toolkit*, OECD, Paris, www.oecd.org/tax/transparency/documents/EOI-Unit-toolkit_en.pdf.

⁵¹ Botswana, Eswatini, Jordan, Namibia, Togo and Thailand.

⁵² Armenia, Bosnia and Herzegovina, Cabo Verde, Kenya, Mongolia, Montenegro, Namibia and Oman.

Supporting regional co-operation

The regional initiatives supported by the Global Forum have grown.

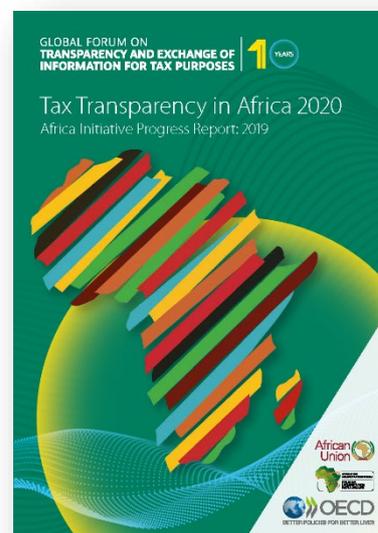
The Africa Initiative

The 8th meeting of the Africa Initiative, which took place virtually in fall 2020, brought together 150 participants from 27 African countries and 20 organisations. The participating jurisdictions recognised the Initiative's achievements, extended its mandate until 2023, restructured governance and set clear goals for the capacity building activities.

The progress made in the past year shows that the transparency agenda remains highly topical:

- An increasing number of African countries are participating in the Africa Initiative, with Mali joining in 2020, which brings the total to 32.⁵³
- **Strong partnership has been established with the African Union Commission**, which promotes the importance of the Africa Initiative for advancing tax transparency at the continent.
- **The support for the Yaoundé Declaration has grown** to 30 African countries, after the recent endorsement of the Minister of Finance of Eswatini, and by the African Union Commission.⁵⁴
- **The African continent is making progress towards the AEOI implementation.** Nigeria started its first automatic exchanges in 2020, joining the four other African countries⁵⁵ that have already implemented AEOI. In addition, Kenya and Morocco committed to do so in 2022, while five other African jurisdictions⁵⁶ are being assisted in determining a practical timeline for the implementation of the AEOI standard.

In 2020, 25 African countries have received technical assistance from the Global Forum and about 1 300 officials have been trained.



⁵³ The Africa Initiative members: Benin, Botswana, Burkina Faso, Cameroon, Cabo Verde, Chad, Côte d'Ivoire, Djibouti, Egypt, Eswatini, Gabon, Ghana, Guinea, Kenya, Lesotho, Liberia, Madagascar, Mali, Mauritania, Mauritius, Morocco, Namibia, Niger, Nigeria, Rwanda, Senegal, Seychelles, South Africa, Tanzania, Togo, Tunisia and Uganda.

⁵⁴ The Yaoundé Declaration was adopted at the 10th plenary meeting of the Global Forum on 15–17 November 2017, www.oecd.org/tax/transparency/what-we-do/technical-assistance/Yaounde-Declaration-with-Signatories.pdf

⁵⁵ Seychelles and South Africa started exchanges in 2017, Mauritius in 2018 and Ghana in 2019.

⁵⁶ Cameroon, Kenya, Senegal, Tunisia and Uganda.

The Latin America Initiative

The 3rd Punta del Este Declaration meeting, which also took place in fall 2020, was attended by 80 delegates from the 13 signatories, 2 observers and 8 partner organisations. The participants reiterated their commitment to the transparency agenda, approved an ambitious work plan for the next three years and a new governance structure.

The support for this regional co-operation, which seeks to tackle tax evasion, corruption and other financial crimes, is strong:

- **A growing number of jurisdictions are expressing support for the Punta del Este Declaration**, including two recent joiners (Guatemala and Honduras), bringing the number of signatories to 13.⁵⁷
- **Collaboration and partnership with development partners is strengthening**, namely with the Inter-American Center of Tax Administrations (CIAT), the Inter-American Development Bank (IADB) and the WBG.

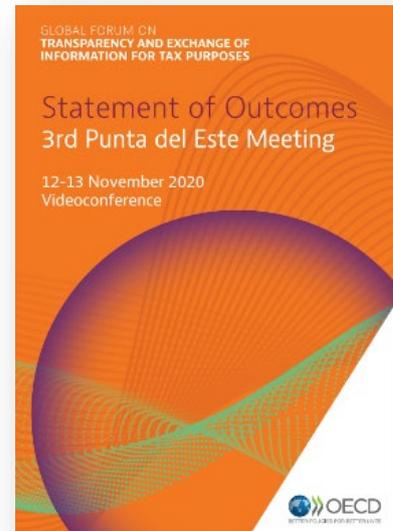
In 2020, 10 Latin America countries received technical assistance and 1 100 officials were trained.

A new initiative for the Pacific region

In October 2020, a Pacific Initiative was launched to raise awareness and enhance tax transparency for the benefit of developing Pacific Islands. This joint Initiative of the Global Forum, the ADB, the Australian Taxation Office (ATO), the OECD, the Pacific Islands Tax Administrators Association (PITAA), the New Zealand Inland Revenue Department (NZ-IRD) and the World Bank Group aims to support these jurisdictions, taking into account their specific circumstances and needs.

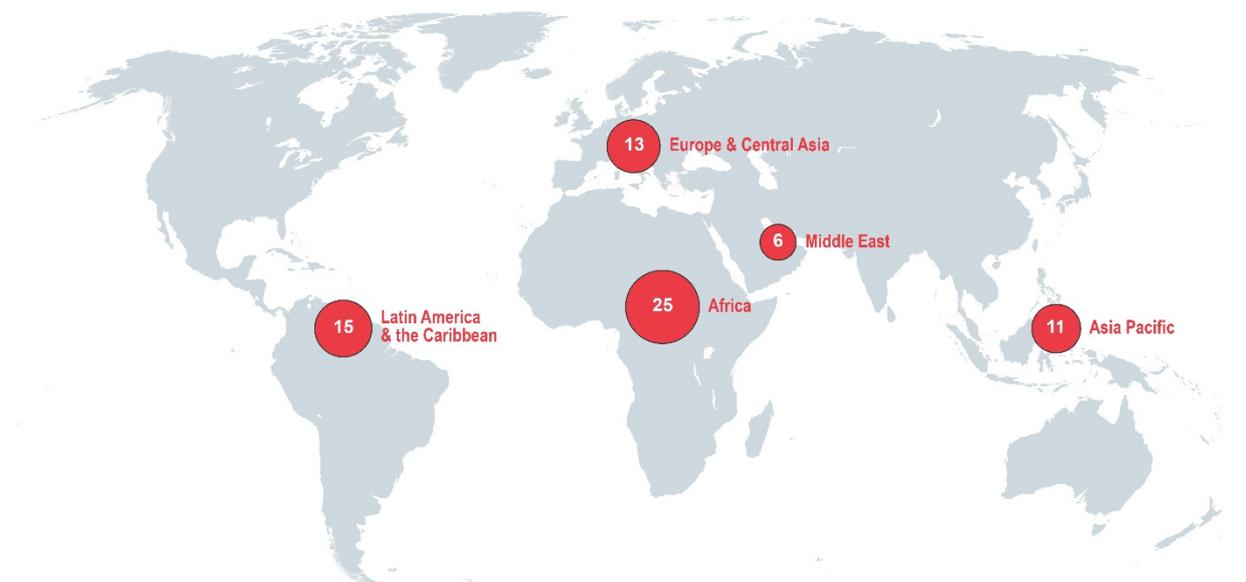
Providing assistance in implementing the standards

In 2020, 70 jurisdictions benefitted from the technical assistance of the Global Forum, which includes 38 ongoing comprehensive Induction Programmes (see Box 1) and 39 jurisdictions receiving tailored on demand assistance. The geographical distribution is as follows: Africa (36%), Latin America and the Caribbean (21%), Europe (19%), Asia-Pacific (16%) and Middle East (8%).



⁵⁷ The signatories of the Punta Del Este Declaration are Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Panama, Paraguay, Peru and Uruguay.

Number of jurisdictions currently supported by the Global Forum secretariat, by region (December 2020)



Box 1. The Global Forum's Induction Programmes

Armenia, Benin, Bosnia and Herzegovina, Cabo Verde, Cambodia, Chad, Côte d'Ivoire, Djibouti, Ecuador, Egypt, Eswatini, Faroe Islands, Greenland, Guinea, Guyana, Haiti, Honduras, Jordan, Kuwait, Lebanon, Madagascar, Maldives, Mali, Moldova, Mongolia, Montenegro, Namibia, Niger, Oman, Palau, Papua New Guinea, Paraguay, Rwanda, Serbia, Tanzania, Thailand, Togo and Viet Nam.

52 jurisdictions supported in implementing the EOIR standard

In total, 52 jurisdictions received technical assistance on EOIR in 2020, including 43 on the availability of beneficial ownership information. The expertise of the Global Forum was called upon to help jurisdictions ensure availability, access and cross-border exchange of ownership, accounting and banking information. The beneficial ownership requirements have been one of the core priorities.

35 jurisdictions supported in implementing the AEOI standard

To help developing countries engage in AEOI, a dedicated roadmap was published in 2017.⁵⁸ Since then, technical assistance in this area has been intensifying. In 2020, 35 jurisdictions benefitted from AEOI-related support. Of these, 31 jurisdictions were assisted in putting in place the necessary legal framework, including the 13 jurisdictions⁵⁹ committed to commence exchanges between 2020 and 2023. Further, 29 jurisdictions have received assistance on information security management, which is particularly challenging for developing jurisdictions intending to commence automatic exchanges of financial account information or country-by-country reports.

⁵⁸ OECD (2017), *Plan of Action for Developing Countries' Participation in AEOI*, OECD, Paris, www.oecd.org/tax/transparency/plan-of-action-AEOI-and-developing-countries.pdf.

⁵⁹ Albania, Ecuador, Georgia, Jordan, Kazakhstan, Kenya, Maldives, Montenegro, Morocco, Nigeria, Oman, Peru and Thailand.

This work has taken place alongside AEOI pilot projects, which involve a bilateral peer-to-peer assistance, facilitated by the Global Forum. In 2020, the pilot project between Albania and Italy was a success, with Albania starting its first exchanges. Four AEOI pilot projects are currently underway (i.e. France and Morocco; the United Kingdom and Egypt; the Philippines and Australia; Germany and Georgia) and a new pilot project (Switzerland and Tunisia) will be launched shortly.

Maintaining a collaborative effort

The large-scale capacity building programme of the Global Forum is made possible through a collaborative effort. Financial support is provided by Australia, France, Japan, Norway, Senegal,⁶⁰ Switzerland, the United Kingdom and the European Union. Many member jurisdictions are supporting this work by offering their expertise.⁶¹ Strong collaboration with other development partners at global and regional level enhances synergies and the footprint of this work.

Pursuing a new capacity building strategy for the widest impact

Approaching the 10-year mark of its capacity building programme in 2021, the Global Forum developed a new strategy to achieve the greatest impact for the benefit of developing jurisdictions.⁶²

⁶⁰ Resource Mobilisation and Investment Attractiveness Institutional Support Project piloted by the Ministry of Finance of Senegal and supported by the African Development Bank.

⁶¹ Australia, Belgium, France, Germany, Italy, New Zealand, Norway, Spain, Switzerland, and the United Kingdom.

⁶² OECD (2020), *Capacity Building A New Strategy for the Widest Impact*, OECD, Paris, www.oecd.org/tax/transparency/what-we-do/technical-assistance/Capacity-Building-Strategy.pdf.

Annex II.A. Implementation of the AEOI standard

As at 9 December 2020

Jurisdiction	CORE REQUIREMENT 1 (domestic legal framework)	CORE REQUIREMENT 2 (international legal framework)	OVERALL DETERMINATION
Andorra	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Anguilla	In Place	In Place	In Place
Antigua and Barbuda	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Argentina	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Aruba	Not In Place	In Place	Not In Place
Australia	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Austria	In Place	In Place	In Place
Azerbaijan	Not In Place	In Place	Not In Place
Bahamas	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Bahrain	In Place	In Place	In Place
Barbados	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Belgium	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Belize	Not In Place	In Place	Not In Place
Bermuda	In Place	In Place	In Place
Brazil	In Place	In Place	In Place
British Virgin Islands	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Brunei Darussalam	In Place	In Place	In Place
Bulgaria	In Place	In Place	In Place
Canada	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Cayman Islands	In Place	In Place	In Place
Chile	In Place But Needs Improvement	In Place	In Place But Needs Improvement
China	In Place	In Place	In Place
Colombia	In Place	In Place	In Place
Cook Islands	In Place	In Place	In Place
Costa Rica	Not In Place	In Place	Not In Place
Croatia	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Curaçao	Not In Place	In Place	Not In Place
Cyprus	In Place	In Place	In Place
Czech Republic	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Denmark	In Place	In Place	In Place
Dominica	Not In Place	In Place	Not In Place
Estonia	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Faroe Islands	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Finland	In Place	In Place	In Place
France	In Place	In Place	In Place
Germany	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Gibraltar	In Place	In Place	In Place
Greece	In Place	In Place	In Place
Greenland	In Place	In Place	In Place
Grenada	Not In Place	In Place	Not In Place
Guernsey	In Place	In Place	In Place
Hong Kong (China)	In Place	In Place	In Place
Hungary	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Iceland	In Place	In Place	In Place

Jurisdiction	CORE REQUIREMENT 1 (domestic legal framework)	CORE REQUIREMENT 2 (international legal framework)	OVERALL DETERMINATION
India	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Indonesia	In Place	In Place	In Place
Ireland	In Place	In Place	In Place
Isle of Man	In Place	In Place	In Place
Israel	Not In Place	In Place	Not In Place
Italy	In Place	In Place	In Place
Japan	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Jersey	In Place	In Place	In Place
Korea	In Place	In Place	In Place
Latvia	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Lebanon	In Place	In Place	In Place
Liechtenstein	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Lithuania	In Place	In Place	In Place
Luxembourg	In Place	In Place	In Place
Macau (China)	Not In Place	In Place	Not In Place
Malaysia	In Place	In Place	In Place
Malta	In Place	In Place	In Place
Marshall Islands	In Place	In Place	In Place
Mauritius	In Place	In Place	In Place
Mexico	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Monaco	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Montserrat	In Place	In Place	In Place
Nauru	In Place	In Place	In Place
Netherlands	In Place But Needs Improvement	In Place	In Place But Needs Improvement
New Zealand	In Place	In Place	In Place
Niue	In Place	In Place	In Place
Norway	In Place	In Place	In Place
Pakistan	In Place	In Place	In Place
Panama	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Poland	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Portugal	In Place	In Place	In Place
Qatar	In Place	In Place	In Place
Romania	Not In Place	In Place	Not In Place
Russia	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Saint Kitts and Nevis	In Place	In Place	In Place
Saint Lucia	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Saint Vincent and the Grenadines	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Samoa	In Place	In Place	In Place
San Marino	In Place	In Place	In Place
Saudi Arabia	In Place	In Place	In Place
Seychelles	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Singapore	In Place	In Place	In Place
Sint Maarten	Not In Place	Not In Place	Not In Place
Slovak Republic	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Slovenia	In Place	In Place	In Place
South Africa	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Spain	In Place	In Place	In Place
Sweden	In Place	In Place	In Place
Switzerland	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Trinidad and Tobago	Not In Place	Not In Place	Not In Place
Turkey	In Place	In Place	In Place
Turks and Caicos Islands	In Place But Needs Improvement	In Place	In Place But Needs Improvement
United Arab Emirates	In Place	In Place	In Place

Jurisdiction	CORE REQUIREMENT 1 (domestic legal framework)	CORE REQUIREMENT 2 (international legal framework)	OVERALL DETERMINATION
United Kingdom	In Place	In Place	In Place
Uruguay	In Place But Needs Improvement	In Place	In Place But Needs Improvement
Vanuatu	In Place	In Place	In Place

Annex II.B Implementation of the EOIR standard

As at 11 December 2020

Jurisdiction	EOIR PEER REVIEWS	
	ROUND 1 OVERALL RATING	ROUND 2 OVERALL RATING
Albania	Largely Compliant	
Andorra	Provisionally Largely Compliant*	Largely Compliant
Anguilla	Partially Compliant	Non-Compliant
Antigua and Barbuda	Provisionally Largely Compliant*	
Argentina	Largely Compliant	
Aruba	Largely Compliant	Largely Compliant
Australia	Compliant	Largely Compliant
Austria	Largely Compliant	Largely Compliant
Azerbaijan	Largely Compliant	
Bahamas	Largely Compliant	Largely Compliant
Bahrain	Largely Compliant	Compliant
Barbados	Largely Compliant	Partially Compliant
Belgium	Compliant	Largely Compliant
Belize	Largely Compliant	
Bermuda	Largely Compliant	Largely Compliant
Botswana	Largely Compliant	Partially Compliant
Brazil	Largely Compliant	Largely Compliant
British Virgin Islands	Largely Compliant	
Brunei Darussalam	Largely Compliant	Largely Compliant
Bulgaria	Largely Compliant	
Burkina Faso	Largely Compliant	
Cameroon	Largely Compliant	
Canada	Compliant	Largely Compliant
Cayman Islands	Largely Compliant	Largely Compliant
Chile	Largely Compliant	Largely Compliant
China (People's Republic of)	Compliant	Largely Compliant
Colombia	Compliant	
Cook Islands	Largely Compliant	
Costa Rica	Provisionally Largely Compliant*	Largely Compliant
Croatia	N/A	Largely Compliant
Curaçao	Partially Compliant	Largely Compliant
Cyprus	Largely Compliant	Largely Compliant
Czech Republic	Largely Compliant	
Denmark	Compliant	Largely Compliant
Dominica	Provisionally Largely Compliant*	Partially Compliant
Dominican Republic	Provisionally Largely Compliant*	Largely Compliant
El Salvador	Largely Compliant	
Estonia	Largely Compliant	Compliant
Finland	Compliant	
France	Compliant	Compliant

Jurisdiction	EOIR PEER REVIEWS	
	ROUND 1 OVERALL RATING	ROUND 2 OVERALL RATING
Gabon	Largely Compliant	
Georgia	Largely Compliant	
Germany	Largely Compliant	Largely Compliant
Ghana	Largely Compliant	Partially Compliant
Gibraltar	Largely Compliant	Largely Compliant
Greece	Largely Compliant	Largely Compliant
Grenada	Largely Compliant	
Guatemala	Non-Compliant in Round 1 and then Provisionally Largely Compliant*	Non-Compliant
Guernsey	Largely Compliant	Compliant
Hong Kong (China)	Largely Compliant	Largely Compliant
Hungary	Largely Compliant	Largely Compliant
Iceland	Compliant	
India	Compliant	Largely Compliant
Indonesia	Partially Compliant	Largely Compliant
Ireland	Compliant	Compliant
Isle of Man	Compliant	Compliant
Israel	Largely Compliant	
Italy	Largely Compliant	Compliant
Jamaica	Largely Compliant	Largely Compliant
Japan	Compliant	Largely Compliant
Jersey	Largely Compliant	Compliant
Kazakhstan	N/A	Partially Compliant
Kenya	Largely Compliant	
Korea	Compliant	Largely Compliant
Latvia	Largely Compliant	
Lebanon	Provisionally Largely Compliant*	Largely Compliant
Lesotho	Largely Compliant	
Liberia	N/A	Partially Compliant
Liechtenstein	Largely Compliant	Largely Compliant
Lithuania	Compliant	
Luxembourg	Largely Compliant	Largely Compliant
Macau (China)	Largely Compliant	Largely Compliant
Malaysia	Largely Compliant	Largely Compliant
Malta	Largely Compliant	Partially Compliant
Marshall Islands	Provisionally Partially Compliant*	Largely Compliant
Mauritania	Largely Compliant	
Mauritius	Largely Compliant	Compliant
Mexico	Compliant	
Monaco	Largely Compliant	Compliant
Montserrat	Largely Compliant	
Morocco	Largely Compliant	
Nauru	Provisionally Largely Compliant*	Largely Compliant
Netherlands	Largely Compliant	Largely Compliant
New Zealand	Compliant	Compliant
Nigeria	Largely Compliant	
Niue	Largely Compliant	
North Macedonia	Largely Compliant	Largely Compliant
Norway	Compliant	Compliant
Pakistan	Largely Compliant	

Jurisdiction	EOIR PEER REVIEWS	
	ROUND 1 OVERALL RATING	ROUND 2 OVERALL RATING
Panama	Provisionally Largely Compliant*	Partially Compliant
Papua New Guinea	N/A	Largely Compliant
Peru	N/A	Largely Compliant
Philippines	Largely Compliant	Largely Compliant
Poland	Largely Compliant	
Portugal	Largely Compliant	
Qatar	Largely Compliant	Largely Compliant
Romania	Largely Compliant	
Russian Federation	Largely Compliant	
Saint Kitts and Nevis	Largely Compliant	Largely Compliant
Saint Lucia	Largely Compliant	
Saint Vincent and the Grenadines	Largely Compliant	
Samoa	Provisionally Largely Compliant*	Largely Compliant
San Marino	Largely Compliant	Compliant
Saudi Arabia	Largely Compliant	Largely Compliant
Senegal	Largely Compliant	
Seychelles	Largely Compliant	Partially Compliant
Singapore	Largely Compliant	Compliant
Sint Maarten	Partially Compliant	
Slovak Republic	Largely Compliant	Largely Compliant
Slovenia	Compliant	
South Africa	Compliant	
Spain	Compliant	Largely Compliant
Sweden	Compliant	
Switzerland	Largely Compliant	Largely Compliant
Trinidad and Tobago	Non-Compliant	
Tunisia	N/A	Largely Compliant
Turkey	Partially Compliant	
Turks and Caicos Islands	Largely Compliant	Largely Compliant
Uganda	Largely Compliant	
United Arab Emirates	Provisionally Largely Compliant*	Largely Compliant
United Kingdom	Largely Compliant	Largely Compliant
United States	Largely Compliant	Largely Compliant
Uruguay	Largely Compliant	Largely Compliant
Vanuatu	Provisionally Largely Compliant*	Partially Compliant

Notes: N/A indicates that no rating was applied to the jurisdiction, as it became a member of the Global Forum too close to the end of the Round 1 or after its end. For the same reason, the following jurisdictions will be reviewed for the first time in Round 2: Armenia, Benin, Bosnia and Herzegovina, Cabo Verde, Cambodia, Chad, Côte d'Ivoire, Djibouti, Ecuador, Egypt, Eswatini, Faroe Islands, Greenland, Guinea, Guyana, Haiti, Honduras, Jordan, Madagascar, Kuwait, Maldives, Moldova, Mongolia, Montenegro, Namibia, Niger, Oman, Paraguay, Rwanda, Serbia, Tanzania, Thailand, Togo and Ukraine.

*These jurisdictions have been reviewed under the Fast-Track review procedure and assigned a provisional overall rating. The Global Forum completed its first round of peer reviews in 2016, and subsequently established a Fast-Track review procedure, which was a one-time process to allow jurisdictions to quickly demonstrate the progress made in implementing the EOIR standard.

Up-to-date information can be consulted on the Global Forum website: www.oecd.org/tax/transparency.

Annex II.C. Jurisdictions participating in the Convention on Mutual Administrative Assistance in Tax Matters

As at 9 December 2020

CONVENTION ENTERED INTO FORCE (128)		
Albania	Ghana	North Macedonia
Andorra	Gibraltar (1)	Norway
Anguilla (1)	Greece	Oman
Antigua and Barbuda	Greenland (4)	Pakistan
Argentina	Grenada	Panama
Armenia	Guatemala	Peru
Aruba (2)	Guernsey (1)	Portugal
Australia	Hong Kong (China) (5)	Qatar
Austria	Hungary	Romania
Azerbaijan	Iceland	Poland
Bahamas	India	Russia
Bahrain	Indonesia	Saint Kitts and Nevis
Barbados	Ireland	Saint Lucia
Belgium	Isle of Man (1)	Saint Vincent and the Grenadines
Belize	Israel	Samoa
Bermuda (1)	Italy	San Marino
Bosnia and Herzegovina	Jamaica	Saudi Arabia
Brazil	Japan	Senegal
British Virgin Islands (1)	Jersey (1)	Serbia
Brunei Darussalam	Kazakhstan	Seychelles
Bulgaria	Kenya	Singapore
Cabo Verde	Korea	Sint Maarten (4)
Cameroon	Kuwait	Slovak Republic
Canada	Latvia	Slovenia
Cayman Islands (1)	Lebanon	South Africa
Chile	Liechtenstein	Spain
China	Lithuania	Sweden
Colombia	Luxembourg	Switzerland
Cook Islands	Macau (China)	Tunisia
Costa Rica	Malaysia	Turkey
Croatia	Malta	Turks and Caicos Islands (1)
Curaçao (3)	Marshall Islands	Uganda
Cyprus	Mauritius	Ukraine
Czech Republic	Mexico	United Arab Emirates
Denmark	Moldova	United Kingdom
Dominica	Monaco	Uruguay
Dominican Republic	Mongolia	Vanuatu

CONVENTION ENTERED INTO FORCE (128)		
Ecuador	Montenegro	United States (6)
El Salvador	Montserrat	
Estonia	Morocco	
Faroe Islands (4)	Nauru	
Finland	Netherlands	
France	New Zealand	
Georgia	Nigeria	
Germany	Niue	
AMENDED CONVENTION SIGNED (13)		
Benin		
Botswana		
Burkina Faso		
Eswatini		
Gabon		
Jordan		
Liberia		
Mauritania		
Namibia (7)		
Paraguay		
Philippines		
Thailand		
Togo		

Notes: This table includes State Parties to the Convention as well as other Global Forum members, including jurisdictions that have been listed in its Annex B naming a competent authority, to which the application of the Convention has been extended pursuant to Article 29 of the Convention. It also includes participating jurisdictions that are not Global Forum members.

⁽¹⁾ Territorial extension by the United Kingdom.

⁽²⁾ Territorial extension by the Kingdom of the Netherlands. ⁽³⁾ Territorial extension by the Kingdom of the Netherlands. Curaçao and Sint Maarten used to be constituents of the “Netherlands Antilles”, to which the original Convention applied as from 1 February 1997.

⁽⁴⁾ Territorial extension by the Kingdom of Denmark.

⁽⁵⁾ Territorial extension by China.

⁽⁶⁾ The United States have signed and ratified the original Convention, which has been in force since 1 April 1995. The Amending Protocol was signed on 27 May 2010 but is awaiting ratification.

⁽⁷⁾ Namibia deposited with the OECD its instrument of ratification of the Convention as amended by the Protocol on 9 December 2020. The Convention shall enter into force on 1 April 2021 for Namibia.

OECD Secretary-General Tax Report to G20 Finance Ministers and Central Bank Governors

Italy, February 2021

This report by the OECD Secretary-General provides an overview of the activities and achievements in the OECD's international tax agenda and an update of the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes since October 2020. The report first sets out the background and main issues relating to reforming the international tax system to address the tax challenges arising from the digitalisation of the economy. The report next outlines the OECD work to support tax policy makers and tax administrations in responding to the COVID-19 crisis, followed by an outline of OECD work on tax and environment. The report also provides an update on the other G20 tax deliverables, i.e. tax transparency, implementation of the BEPS measures and capacity building to support developing countries, and a progress update on the work carried out to improve tax certainty.



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