

Unclassified**English/French****10 June 2022****COUNCIL****Meeting of the Council at Ministerial Level, 9-10 June 2022****RECOMMENDATION OF THE COUNCIL ON THE TEN GLOBAL
PRINCIPLES FOR FIGHTING TAX CRIME****(Adopted by the Council at Ministerial level on 10 June 2022)**

THE COUNCIL,

HAVING REGARD to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

HAVING REGARD to the standards developed by the OECD in the area of taxation and in the fight against bribery of foreign public officials, in particular to facilitate cooperation between tax and other law enforcement authorities;

HAVING REGARD to the Financial Action Task Force’s International Standards for Combatting Money Laundering and the Financing of Terrorism and Proliferation (“the FATF Recommendations”), and in particular to Recommendation 3 on applying the crime of money laundering to the widest range of predicate offences, including tax crimes;

HAVING REGARD to the OECD’s ongoing work on the Oslo Dialogue, a whole of government approach to fighting tax crimes and other financial crimes;

RECOGNISING that the fight against tax crimes is increasingly global, and requires jurisdictions to engage in timely international co-operation in order to successfully deter, detect, investigate, and prosecute tax crimes and other financial crimes, and recover the proceeds of these crimes;

RECOGNISING that making full use of co-operation mechanisms between tax authorities and law enforcement authorities responsible for combatting tax crimes and other financial crimes, both domestically and internationally, is critical for combatting illicit financial flows effectively;

CONSIDERING that fighting tax crime effectively relies on jurisdictions having effective legal, institutional, administrative, and operational frameworks in place for the prevention, detection, investigation, and prosecution of tax crimes and other financial crimes, and recovery of related assets;

RECOGNISING that Members and non-Members having adhered to this Recommendation (hereafter “Adherents”) have different legal, policy, administrative and operational frameworks for preventing and enforcing tax crimes through which they will implement this Recommendation, and that the actions and activities designated as tax crimes as well as the type of criminal sanctions that are considered appropriate will not be the same in all Adherents;

NOTING that the present Recommendation embodies the “Fighting Tax Crime – The Ten Global Principles”, approved by the Committee on Fiscal Affairs on 10 October 2017 [CTPA/CFA(2017)75/CONF] and revised on 4 June 2021 [CTPA/CFA(2021)6], which has served as a basis for the self-assessments of both Members and non-Members;

HAVING REGARD to the “Practical Guide on the Implementation of the Recommendation on the Ten Global Principles for Fighting Tax Crime” [C/MIN(2022)9/ADD1], developed by the Committee on Fiscal Affairs to support Adherents in the implementation of this Recommendation and that may be modified as appropriate by the Committee on Fiscal Affairs.

On the proposal of the Committee on Fiscal Affairs:

I. AGREES that the purpose of this Recommendation is to provide guidance on devising or updating the legal, institutional, administrative, and operational frameworks that underpin an effective and efficient system for tackling tax crimes and other financial crimes.

II. AGREES that, for the purposes of the present Recommendation:

- **tax crime** refers to a conduct that violates a tax law and can be investigated, prosecuted, and sentenced under criminal procedures within the criminal justice system. It covers the violation of both income tax law obligations, as well as indirect tax obligations (such as VAT or GST), but it does not include other financial crimes such as the violation of customs and excise taxes, corruption, bribery or money-laundering laws; and

- **competent authority** refers to any government agency mandated to detect, investigate, prosecute, and/or recover the proceeds of tax crimes.

III. RECOMMENDS that, when devising or updating their domestic frameworks for addressing tax crime, Adherents should follow these Ten Global Principles:

1. Ensure that violations of tax offences are criminalised by:
 - a. having legal frameworks in place that criminalise some violations of tax laws by natural persons;
 - b. making available effective criminal sanctions that apply in practice to natural persons who violate tax laws;
 - c. having a penalty regime in place for legal persons who violate tax crimes; and
 - d. ensuring that professionals who enable tax crimes are also subject to criminal liability;
2. Devise a strategy for addressing tax crimes, which includes:
 - a. the identification of existing and emerging risks and threats; and
 - b. mechanisms for the regular review and monitoring of the implementation and effectiveness of the strategy;
3. Ensure that competent authorities have adequate powers to effectively detect, investigate, and prosecute tax crimes;
4. Provide competent authorities with adequate powers to freeze, seize, and confiscate assets linked to the enforcement of tax crimes, in accordance with their domestic legal frameworks;
5. Put in place an organisational structure with defined responsibilities for fighting tax crimes and other financial crimes;
6. Provide adequate resources to competent authorities in order to support:
 - a. the development of robust organisational structures and governance;
 - b. appropriate training and development of staff; and
 - c. IT infrastructure, access to data, and use of appropriate analytical resources.
7. Designate tax crimes as a predicate offence for money laundering;
8. Establish effective legal, administrative, institutional, and operational frameworks for domestic inter-agency co-operation, including:
 - a. reporting and information sharing by tax authorities of suspicions of tax crimes and other financial crimes, including corruption, money laundering and terrorism financing, arising out of the performance of their duties, to the appropriate domestic law enforcement authorities and, where applicable, to the Financial Intelligence Units;
 - b. reporting and information sharing between all appropriate domestic authorities, including law enforcement authorities, with respect to the enforcement of tax crimes and other financial crimes within their respective mandates; and
 - c. mechanisms to support enhanced forms of co-operation among tax authorities, competent authorities, and other appropriate domestic law enforcement authorities responsible for enforcing financial crimes, such as joint operations and taskforces,

parallel investigations, staff secondments, co-ordination fora, and joint intelligence centres;

9. Ensure international co-operation mechanisms are available to competent authorities including by:
 - a. ensuring access to all international legal instruments relevant to the enforcement of tax crimes and other financial crimes;
 - b. having adequate operational frameworks for effective international co-operation related to the enforcement of tax crimes and other financial crimes; and
10. Provide fundamental protections and rights to individuals when enforcing tax crimes and other financial crimes including by guaranteeing basic procedural and fundamental rights are in place for individuals suspected or accused of committing tax crimes or other financial crimes;

IV. INVITES the Secretary-General and Adherents to disseminate this Recommendation.

V. INVITES non-Adherents to take account of and adhere to this Recommendation.

VI. INSTRUCTS the Committee on Fiscal Affairs, through its Task Force on Tax Crimes and Other Crimes, to:

- a. Continue serving as a forum for exchanging information on fighting tax crime and other financial crimes, including jurisdictions' experiences with the implementation of this Recommendation, and for fostering multi-stakeholder and interdisciplinary dialogue to pursue tax compliance;
- b. Continue its work of collecting and mapping data received from jurisdictions' self-assessments against this Recommendation; and on capacity building in the fight against tax crimes and other financial crimes to support the dissemination and implementation of this Recommendation;
- c. Review and update the Practical Guide on the Implementation of the Recommendation on the Ten Global Principles for Fighting Tax Crime over time to ensure that it remains relevant;
- d. Report to the Council on the implementation, dissemination, and continued relevance of this Recommendation no later than five years following its adoption and at least every ten years thereafter.