



## FOURTH OECD FORUM ON TAX AND CRIME: CHALLENGES AND SOLUTIONS IN FIGHTING FINANCIAL CRIMES



FIOD  
Belastingdienst

Closing Statement by the Netherlands, as host, and the OECD  
17 September 2015

Revenue losses due to illicit financial flows related to tax evasion, money laundering, bribery and corruption are vast. With the globalisation in trade and finance, we have also seen globalisation in the world of financial crime creating further challenges for those charged with preventing, investigating and prosecuting such crimes. The Oslo Dialogue, launched by the OECD in 2011, is a holistic initiative that seeks to bring together all relevant stakeholders and supports countries in combating these threats through better policy design, greater transparency, more effective intelligence gathering, and improvements in domestic and international co-operation to prevent, detect and investigate offences, prosecute criminals and recover the proceeds of their illicit activities.

The discussions at the Forum showed the continued threat posed by tax crimes and other financial crimes and the important role tax administrations can play in curtailing it, recovering the proceeds and bringing criminals to justice. The growing use of the dark web, more and more instances of identity theft and cybercrime pose challenges to financial investigators around the world. At the same time, government agencies are increasingly using technology solutions to reduce fraud and tax evasion: ranging from data analytics to security technology to counter sales suppression and digital fraud which, if left unchecked, has been estimated to cost government tens of billions of USD.

This is an issue for all countries but it hits developing countries particularly hard. For instance, the 2015 Mbeki<sup>1</sup> report estimates that Africa loses more than USD 50 billion per year due to illicit financial flows. This creates a major issue of lost revenue but also a wider issue of trust and confidence in the tax system and government as a whole. In response, the OECD's work has not only focused on identifying particular risk areas, setting international best practices and related solutions, but has also taken the next step of providing an innovative capacity building programme. Since its launch in 2013, the OECD's International Academy for Tax Crime Investigation has provided intensive training for over 140 criminal investigators, with over 100 participants coming from 29 developing countries.

Over 200 senior officials and specialists from over 70 countries and international organisations who together share responsibility for combating financial crime and terrorist financing in all its forms, came together for the Fourth Forum on Tax and Crime in Amsterdam to address priority issues that cut across disciplines and national borders and supported an ambitious programme going forward. Participants included officials from tax and customs administrations, finance and justice ministries, FIUs, anti-corruption authorities, law enforcement agencies, prosecution services, central banks and development assistance agencies (see attached list of participants).

---

*UN Office on Drugs and Crime estimate that criminal proceeds from all illicit activities represent around 3.6% of global GDP, or USD 2.1 trillion.*

*Global Financial Integrity estimates that roughly USD 1 trillion flows illegally out of developing countries annually due to crime, corruption and tax evasion.*

*2014 McAfee estimates that the cost of global cybercrime is 0.8% of global GDP, or over USD 400 billion.*

---

<sup>1</sup> Illicit Financial Flows, Report of the High Level Panel on Illicit Financial Flows from Africa, Commissioned by the AU/ECA Conference of Ministers of Finance, Planning and Economic Development.

Topics covered at the Fourth Forum on Tax and Crime included:

- Tax Crimes and the Dark Web
- The Fight Against Terrorist Financing: A Whole of Government Approach
- Analytics: Exploiting Big Data to Fight Tax Crimes and Other Financial Crimes
- Where next? Emerging Tax Evasion Risks in an Era of Greater Transparency
- Financing for Development: Enabling Developing Countries to Tackle Illicit Flows
- Tax and Technology
- Alternative Payment Platforms Used to Facilitate Tax Crime and Other Financial Crimes
- Financial Professional Enablers and Their Role in Organised Crime
- The Role of Tax in Uncovering the FIFA Corruption Scandal
- Improving Co-operation Between Tax and Anti-Money Laundering Authorities

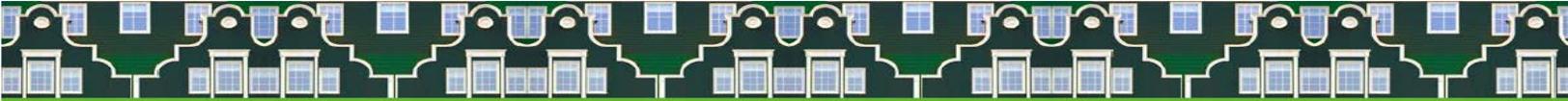
Reflecting on the in-depth discussions over two days, participants:

- **Welcomed the Report on Improving Co-operation between Tax and Anti-money laundering Authorities and supported further work on Inter-Agency Co-operation.**

Whether it is the fast-growing cybercrime, the dark web, terrorism financing, or corruption, no progress can be made without effective inter-agency co-operation. The ongoing FIFA investigation, which was discussed in a special session at the Forum, is a prime example of how effective inter-agency co-operation can be used to deliver results. Earlier OECD work on this issue, *Effective Inter-Agency Co-operation in Fighting Tax Crime and Other Financial Crimes*, will now be revised, updated, and broadened to include more countries from around the world to create an up-to-date global reference guide. This guide will enable countries to measure progress and benchmark their systems internationally.

It will also build on the OECD report on *Improving Co-operation between Tax and Anti-money Laundering Authorities - Access by Tax Administrations to Information Held by Financial Intelligence Units for Criminal and Civil Purposes*, which was released at the meeting. This report provides the key recommendation, that subject to the necessary safeguards, tax administrations should have the fullest possible access to the Suspicious Transaction Reports (STRs) received by the Financial Intelligence Unit (FIU) in their jurisdiction and to achieve this, jurisdictions should look to not only provide the legislative framework to allow tax administrations access to STRs, but also look to ensure the operational structure and procedures to facilitate the maximum effectiveness in the use of STRs.

- **Supported further work on Tax and Technology.**  
Technology presents a risk but can also be part of the solution. Technology solutions can range from sales recording modules, to e-invoicing, data analytics, online compliance tools for SMEs, electronic payment systems and ways to deal with online intermediaries, all of which can help reduce tax fraud and evasion. Further work by the OECD in this area was welcomed and findings will be released in time for the next Forum.
- **Stressed the need for ongoing monitoring and analysis on “New Frontiers” in the changing environment.**  
With the introduction of automatic exchange of information on financial accounts, new beneficial ownership rules and changes to corporate registries the transparency landscape is changing profoundly. At the same time new technologies are emerging, such as alternative payment platforms and cybercrime, which pose an increasing threat. Participants stressed the need to monitor and analyse the impact of these developments on behaviour and develop an appreciation of future risks and methods by which tax evasion and other financial crimes will be facilitated within this new environment; including the role played by professional enablers. Findings will be released in time for the next Forum.
- **Stressed the need for Capacity Building including donor support.**  
Helping developing countries to better and more effectively fight financial crimes is a key aspect of domestic resource mobilisation and financing for development. Participants welcomed the work on capacity building undertaken so far and supported the need to put it on a sustainable, long term path as an integrated programme to maximise impact and benefits for developing countries. Providing support for this programme may be particularly attractive for donors that have committed to increase their contribution on domestic resource mobilisation for example through the *Addis Tax Initiative*, *Addis Ababa Action Agenda*, and in support of the UN Sustainable Development Goals each of which has called upon the international community to effectively combat and reduce illicit financial flows.



## 4th OECD FORUM ON TAX AND CRIME AMSTERDAM 16 - 17 SEPTEMBER 2015

Participants warmly thanked FIOD and the Netherlands Tax and Customs Administration for hosting the events and look forward to advancing this important agenda. More information on the Fourth Forum on Tax and Crime and the publication released this week can be found at: [www.oecd.org/ctp/crime/forumontaxandcrime.htm](http://www.oecd.org/ctp/crime/forumontaxandcrime.htm).

### Participating countries

Argentina	Iceland	Republic of Armenia
Australia	India	Republic of Belarus
Austria	Indonesia	Romania
Belgium	Ireland	Senegal
Brazil	Islamic Republic of Iran	Seychelles
Canada	Italy	Sierra Leone
Cayman Islands	Japan	Singapore
Chile	Jersey Channel Islands	Slovenia
Colombia	Kenya	South Africa
Czech Republic	Latvia	South Korea
Denmark	Luxembourg	Spain
Estonia	Malaysia	Sweden
Finland	Netherlands	Switzerland
France	Nigeria	Tanzania
Georgia	Norway	Tunisia
Germany	Pakistan	Turkey
Ghana	Peru	Uganda
Greece	Philippines	Ukraine
Guernsey	Poland	United Kingdom
Hungary	Portugal	United States

### Participating Regional and International Organisations

Asian Development Bank (ADB)	Global Financial Integrity (GFI)
Inter American Center of Tax Administrations (CIAT)	International Monetary Fund (IMF)
European Commission	International Tax Compact (ITC)
EUROPOL	United Nations Office on Drugs and Crime (UNODC)
Financial Action Task Force (FATF)	World Customs Organization (WCO)