

## Statement of Outcomes of the 4<sup>th</sup> Punta del Este Declaration Meeting

12 and 13 July 2021

1. On 12 and 13 July 2021, over 280 delegates, including representatives from 13 signatories, 3 observers and 3 partners of the Punta Del Este Declaration came together virtually, for the 4<sup>th</sup> Punta Del Este meeting (see **annex A**).
2. The [Punta Del Este Declaration](#) was signed in November 2018 by Ministers of Latin American countries, in the presence of the strategic regional partners (Global Forum, Inter-American Centre of Tax Administrations, Inter-American Development Bank, Organisation for Economic Cooperation and Development and World Bank Group). In the Declaration, signatories agreed in particular to (i) fully and effectively implement the international standards of transparency and exchange of information (EOI), including ensuring transparency of beneficial owners, (ii) maximise the effective use of the information exchanged to counter illicit financial flows, including by considering a wider use of information for non-tax purposes, to tackle corruption and other financial crimes and improve international tax co-operation, as well as to explore the full range of possibilities for administrative co-operation provided by international agreements. The Declaration is aimed to ensure that jurisdictions in the region can fully and swiftly benefit from transparency and EOI for tax purposes, and translate it into effective domestic revenue mobilisation.
3. The 2020 meeting of the Declaration marked an important milestone with the adoption of a work plan and a strengthened governance for the period 2021-2023, comprising a framework to monitor and to implement concrete steps to achieve the Declaration's objectives.
4. Signatories of the Declaration welcomed Bolivia, El Salvador and Mexico as observers to this 2021 meeting. They invited all Latin American countries to sign the Declaration. The delegates also appreciated the participation and contributions of experts from Punta del Este Declaration signatories<sup>1</sup>, regional partners<sup>2</sup> and from invited organisations and countries<sup>3</sup> (see **annex B**).
5. On the first day of the meeting, which was open to the public, the [Tax Transparency in Latin America 2021: Punta del Este Declaration Progress Report](#) was launched. This first edition of what will be a series of annual reports highlights the progress made by 16 Latin American countries in improving tax transparency, including 3 non-signatory countries. The report shows that tax transparency is progressing well in the region, although progress is uneven among countries. In 2020, despite the COVID-19 pandemic, Latin American countries continued to prioritise EOI and put in place the essential building blocks for effective participation in EOI, including widening their EOI networks, improving EOI units with appropriate tools and resources and delegation of competent authority powers. Since 2014, at least EUR 12 billion in additional revenue (tax, interest and penalties) have been identified in Latin America through voluntary disclosure programmes and offshore tax investigations thanks to information received under the EOI standards. Through EOI on request, Latin American countries have identified close to EUR 300 million

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<sup>1</sup> Argentina (Federal Administration of Public Revenues of Argentina and Economic Crime and Money Laundering Prosecutor's Office), Brazil (Brazilian Federal Revenue), Colombia (National Directorate of Tax and Customs), Costa Rica (Minister of Finance and General Directorate of Taxation), Ecuador (Internal Revenue Service), Paraguay (Under Secretariat of State for Taxation) and Peru (National Superintendence of Tax Administration and Customs).

<sup>2</sup> Inter-American Center of Tax Administrations (CIAT), Inter-American Development Bank (IDB) and World Bank Group (WBG).

<sup>3</sup> Financial Action Task Force on Latin America, Latin American Network for Economic and Social Justice, and Tax Justice Network.

since over 2014-2020. There are however areas of improvement, particularly in continuing the development of a solid EOI culture, the strengthening of beneficial ownership frameworks, the enhancing of the use of EOI to support audits and investigations, and progressing in the commitment to AEOI.

6. The participants debated on where Latin America stands on tax transparency and discussed the report's key findings and the progress made, as well as the existing barriers for the progress of the tax transparency agenda in two panels, focusing on advances in tax transparency into improved revenue mobilisation for development in Latin America and on the state of play in relation to beneficial ownership in Latin America and key challenges ahead.

7. On the second day, the delegates reflected on technical aspects of the tax transparency agenda. They discussed the wider use of information to prevent and detect money laundering and other financial crimes. The delegates also discussed the available tools to building capacities in the region. Participants also shared country strategies on how the implementation of AEOI can assist on mobilising domestic resources, even more so by using it in conjunction with exchange on request, while considering other types of exchanges, such as automatic tax exchanges and exchange of country-by-country reports. Finally, they agreed on strategies to continue monitoring and assessing the impact of EOI.

8. Recognising the crucial role of decision makers, the delegates welcomed the Punta del Este Declaration's contribution to the political dialogue on tax transparency as key for enhancing domestic revenue mobilisation in Latin America and governance improvement. The delegates encouraged the Latin America countries that have not joined the Declaration yet to do it as a step to increase political attention to the problem of tax evasion, corruption and other illicit financial flows and the key role that tax transparency and EOI can play. The delegates also committed to improve the monitoring of the impact of EOI in order to use these statistics to inform strategic decisions. Ecuador and Peru committed to lead by example by starting to use the impact assessment tool in 2021 and report the result achieved in 2022.

9. The delegates agreed to meet again in November 2021 to reflect on the progress made in the implementation of the Punta del Este Declaration.

## Annex A. List of participants of the 4th Punta Del Este Declaration meeting

### **Latin American Countries**

Argentina • Bolivia • Brazil • Chile • Colombia • Costa Rica • Dominican Republic • Ecuador • El Salvador • Guatemala • Honduras • Mexico • Panama • Paraguay • Peru • Uruguay

### **Organisation, development agencies and invitees**

Financial Action Task Force on Latin America • Inter-American Center of Tax Administrations • Inter-American Development Bank • Latin American Network for Economic and Social Justice • Organisation for Economic Co-operation and Development • Tax Justice Network • World Bank Group

## Annex B. List of members and supporters of the Punta Del Este Declaration

### **Signatories of the Punta del Este Declaration**

Argentina • Brazil • Chile • Colombia • Costa Rica • Dominican Republic • Ecuador • Guatemala • Honduras • Panama • Paraguay • Peru • Uruguay

### **Supporters of the Punta del Este Declaration**

Inter-American Center of Tax Administrations • Inter-American Development Bank • World Bank Group

## Annex C. List of signatories to the Punta Del Este Declaration

**LIST OF SIGNATORIES (as of 13 July 2021)**

	<b>Country</b>	<b>Date</b>
1	Argentina	2018
2	Brazil	2019
3	Chile	2018
4	Colombia	2018
5	Costa Rica	2019
6	Dominican Republic	2019
7	Ecuador	2018
8	Guatemala	2020
9	Honduras	2020
10	Panama	2018
11	Paraguay	2018
12	Peru	2019
13	Uruguay	2018