



# **Global Forum on Transparency and Exchange of Information for Tax Purposes**

**Bridgetown, Barbados  
29-30 October 2015**

## **Statement of Outcomes**

**30 October 2015**



1. On 29-30 October 2015, over 250 delegates from 88 jurisdictions and 11 international organisations and regional groups came together in Bridgetown, Barbados, for the 8<sup>th</sup> meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum). The Global Forum welcomed Armenia, Bulgaria, Côte d'Ivoire, Niger, Papua New Guinea and Tanzania as new members which have joined since its last meeting, bringing its membership to 129.

2. This meeting was held on the eve of the commencement of a new five year mandate of the Global Forum. Continuing its resolve to take international tax cooperation to an even higher level in this new age of tax transparency, the Global Forum discussed a wide range of topics with the following key outcomes:

- Reiteration of the resolve to meet the commitments to implement **automatic exchange of information** within the agreed timelines of first exchanges in 2017 or 2018. The additional commitments of Cook Islands, Ghana and Panama to also commence automatic exchanges in 2018 and the strengthening of the international legal framework for exchange of information through the signing by 13 jurisdictions of the Multilateral Competent Authority Agreement were welcomed. In addition, it was noted that the implementation process is well under way with many Global Forum members having already introduced the necessary domestic legislation.
- Recognition of changes made by several Global Forum members to their legal framework or practices on exchange of information on request to address Global Forum recommendations which led to the adoption of several supplementary peer reviews.
- Acknowledgement that the Global Forum is currently the key global body competent to assess jurisdictions as regards their cooperation on matters of transparency and exchange of information for tax purposes, and that the findings in the Global Forum peer reviews should be taken into account as appropriate in any lists pertaining to non-cooperative jurisdictions in this area. It was also noted that tremendous progress has been made over recent years through the cooperative nature and integrity of its processes, which form the foundation of its work.
- Agreement on the detailed framework for a second **Round of peer reviews of the standard of exchange of information on request** to be launched in the second half of 2016. This new round will be based on enhanced Terms of Reference, which will now include a requirement to maintain and exchange beneficial ownership information.
- Intensification of efforts to ensure developing countries benefit from the recent gains made in international tax transparency. It was agreed that following the initial success of the Africa Initiative and AEOI pilot projects, triangular cooperation in the delivery of technical assistance between the Global Forum Secretariat, members and regional organisations should be enhanced.

3. Further details of the above outcomes are as follows:

#### ***Automatic Exchange of Information (AEOI)***

4. The new international standard on the automatic exchange of financial account information is becoming truly global. Global Forum members endorsed the standard in 2014 and almost all jurisdictions that were invited to commit to AEOI, including all major financial centres, have now committed to its swift implementation according to specific timetables. There are now 96 jurisdictions which are committed to making the first exchanges of information in 2017 or 2018 (see Annex 2 for an updated status of commitments). These commitments were reiterated at the plenary and new commitments by Cook Islands, Ghana and Panama were welcomed. To ensure a truly level playing field, the few remaining financial centre jurisdictions that have not yet committed were urged to quickly do so in order to meet the timelines



already committed to by their peers. In relation to developing country members that are not financial centres, and which have not yet been asked to commit, it is important to raise their awareness and support capacity building so that they can participate in and benefit from AEOI as soon as possible.

5. The key focus for Global Forum members is now ensuring effective implementation. This includes members taking the necessary domestic steps, working together to put in place multilateral solutions to common challenges, and establishing exchange relationships with appropriate partners. Global Forum members expressed satisfaction that they remain on track to deliver on the commitments made. The initial results of the monitoring process show that implementation is progressing well, though there is still work to do and the speed of implementation needs to be maintained. The Global Forum will continue to monitor progress on the delivery of the commitments on an ongoing basis, with an initial focus on putting in place the necessary domestic and international legal framework. Monitoring will also be used to target further support activities.

6. In order to support effective implementation of the AEOI standard, the Global Forum will both continue to develop implementation tools such as implementation checklists, as well as widely disseminate the range of tools already developed by the OECD, such as the implementation handbook, the answers to frequently asked questions, and a new online AEOI Portal. Having provided training to more than 400 Government officials from over 120 jurisdictions through nine regional training seminars, the Global Forum agreed to continue prioritise the provision of support in accordance with jurisdictions' needs. The Global Forum also welcomed the ongoing work to put in place a common transmission system and looks forward to its continued involvement as the work develops.

7. The Global Forum welcomed the strengthening of the international legal framework for implementing the exchange of information with the signature, since the last plenary, of the multilateral Convention on the Mutual Administrative Assistance in Tax Matters (MAC) by 5 jurisdictions and the signature at the plenary of the Multilateral Competent Authority Agreement (MCAA) by 13 jurisdictions. There are now 89 jurisdictions covered by the MAC and 74 by the MCAA.

8. Underscoring the importance of confidentiality and data safeguards in relation to AEOI, and in particular the operational and systems perspective (due to the electronic nature of the exchanges and the volume of information), the Global Forum completed the first set of preliminary assessments. This process will be completed for all committed jurisdictions by mid-2016 through the multilateral assessment process which was launched this year with 19 assessments already finalised. While the focus in 2015 was on these assessments and on implementation support, it was agreed that the design of a staged review process leading to comprehensive reviews will be finalised in 2016, and presented to the plenary at its next meeting. Furthermore, in the coming year, the Global Forum, through its AEOI Group, will continue to work intensively across all areas to ensure the timely and effective delivery of the commitments made, including on how to calibrate the monitoring, support and review processes to best ensure the effective implementation of the standard.

### ***Exchange of Information on Request (EOIR)***

9. The Global Forum published its 2015 Annual Report "Tax Transparency 2015: Report on Progress", which includes details on the progress of the peer reviews and ratings. With 41 new reviews completed since its last meeting, the Global Forum has now published 215 peer reviews, and assigned ratings to 89 jurisdictions. Following their Phase 2 reviews of practice 22 jurisdictions are rated as "Compliant", 52 jurisdictions as "Largely Compliant", and 12 jurisdictions as "Partially Compliant". The Global Forum lauds the progress made by a number of jurisdictions that had previously been rated overall "Partially Compliant" or "Non-Compliant" and which have addressed the recommendations made and whose ratings were improved to "Largely Compliant" following a supplementary review (Austria, British Virgin Islands, Cyprus, Luxembourg and the Seychelles). The few remaining reviews under the first round of reviews will be launched before the end of 2015 and completed in 2016.



10. At its plenary meeting in Berlin in 2014, the Global Forum agreed that jurisdictions that still do not have in place elements critical to ensuring an effective exchange of information in their legal and regulatory framework more than two years after their Phase 1 review would be rated overall “Non-Compliant” without undergoing a Phase 2 review unless they are able to show sufficient progress through a supplementary review. A number of jurisdictions that had been prevented from moving to Phase 2 have been able to demonstrate sufficient progress and their Phase 2 reviews are either on-going or will be launched before the end of the year. A number of other jurisdictions are still going through this process, which will be expected to have a successful supplementary review soon or be rated Non-Compliant. A final rating for any of these jurisdictions will be assigned once the supplementary process is complete for all of them.

11. The Global Forum also formalised the framework for a second round of reviews, which will commence in 2016 and cover all members and relevant non-members. The framework establishes a strengthened standard for exchange of information on request, including a requirement to maintain and exchange beneficial ownership information, the incorporation of the 2012 update to Article 26 of the OECD Model Tax Convention and its Commentary (including group requests), and a review of information requests made as well as received.

### ***Technical Assistance***

12. Tax is now a significant aspect of the global development agenda. Although tax transparency is not the only aspect of enhancing domestic resource mobilisation, it is nonetheless a vital one. Technical assistance was greatly intensified during 2015 to ensure that all members, and developing countries in particular, will benefit from improvements in transparency and exchange of information, including AEOI. This was made possible because of additional financial support from a number of members and collaboration with other international organisations. Following the successful launch of the Africa Initiative and AEOI pilot projects, all of which involve other international organisations, it was agreed that strengthening long term triangular relationships between the Global Forum Secretariat, its members and other international organisations should be an essential objective for technical assistance activities during the next mandate.

13. The Global Forum welcomed the leadership shown by Burkina Faso, Cameroon, Ghana, Kenya and Morocco over the first year of the Africa Initiative. Their agreement to meet concrete targets to improve transparency and exchange of information over the three years of this project will provide significant benefits in tax transparency and strengthen the ongoing efforts being made to tackle cross border tax evasion. All African countries and other developing countries were invited to come forward and take greater advantage of the gains in transparency that have been collectively achieved over the last six years.

14. The importance and benefits of AEOI have been recognised by all member jurisdictions. It was agreed that, building on the pilot projects that have already commenced and in line with its mandate, the Global Forum would continue to work closely with its developing country members, looking in particular at how to deliver on implementation of a truly global standard and ensure that developing countries can also access the benefits that AEOI has to offer.

### ***Evaluation***

15. At its meeting in Berlin in October 2014, Global Forum members agreed to extend the mandate until the end of 2020. The current 3 year Global Forum mandate expires at the end of 2015, and in line with that mandate the Global Forum conducted a self-evaluation of the work done during this period, with the focus being on outcomes. The evaluation concluded that the objectives set for the Global Forum have been exceeded. The peer reviews of 120 jurisdictions have led to significant changes to the international legal architecture of exchange of information, and training and support provided to more than



130 jurisdictions have resulted in extensive awareness of the benefits of EOI and improved capacity to use the infrastructure. On the ground, this is swiftly translating into additional revenues for jurisdictions that are harnessing international cooperation effectively. Implementation of the international standard on AEOI by the 96 committed jurisdictions will permanently alter the arithmetic of international tax evasion.

### *Governance and Budget*

16. In anticipation of the new mandate period of 2016-2020, the Global Forum reconsidered certain aspects of its structure and organisation as well as its resources. Proposals were adopted with a view to maximising engagement of Global Forum members in all aspects of its work, while at the same time ensuring that progress continues to be made in an effective and efficient manner. Most importantly, it was agreed to put in place a fixed schedule of rotation for the Steering Group and the PRG for the next five years instead of the current annual process. Global Forum members will be invited to express an interest in membership of the Steering Group/Peer Review Group for the new mandate period 2016-2020.

17. An intermediate financial report for 2015 was considered and the Global Forum also adopted the revised projected budget for 2016. The Global Forum welcomed the additional support provided by different jurisdictions and donor agencies throughout the year in the form of Voluntary Contributions and direct support. France, Switzerland, Australia, Japan, the Asian Development Bank and UK's Department for International Development supported the Global Forum's work in Africa, Asia and the Pacific region and with other developing countries.

18. It is expected that expenditure will exceed income for the 2015 and 2016 financial years, and therefore the Global Forum agreed to cover the shortfalls for these years by using the accumulated surplus carried forward from previous years. Though the membership fees were maintained at existing levels, the Global Forum agreed to re-examine these in light of the prevailing financial situation in 2017.

### *Next Steps*

19. The key focus in 2016 will be the start of Round 2 of reviews for EOIR with the launch of the first set of reports, and the intensification of the monitoring and preliminary review work on implementation of the AEOI standard, so as to ensure jurisdictions that have committed to first exchanges in 2017 and 2018 are ready to do so.

20. To ensure that all concerned Global Forum members will be ready for these developments, technical assistance work will also be stepped up, with a combination of pilot projects on AEOI and other jurisdiction specific and regional assistance being provided.

21. The Global Forum agreed that its next meeting will take place in October-November 2016, and looks forward to offers by member jurisdictions to host the meeting.

22. Finally, the Global Forum thanked the Government of Barbados for its generous hospitality.



## ANNEX 1: LIST OF PARTICIPANTS AT GLOBAL FORUM MEETING

### BRIDGETOWN, BARBADOS

29-30 October 2015

Andorra; Antigua and Barbuda; Armenia; Australia; Austria; Bahamas; Barbados; Belgium; Belize; Bermuda; Brazil; British Virgin Islands; Cameroon; Canada; Cayman Islands; Chile; China (People's Republic of); Colombia; Cook Islands; Curaçao; Cyprus;<sup>1</sup> Denmark; Dominica; Dominican Republic; Finland; France; Gabon; Georgia; Germany; Ghana; Gibraltar; Grenada; Guatemala; Guernsey; Hong Kong (China); Hungary; India; Ireland; Isle of Man; Italy; Jamaica; Japan; Jersey; Kenya; Korea; Lesotho; Liberia; Liechtenstein; Lithuania; Luxembourg; Macau (China); Malaysia; Malta; Marshall Islands; Mexico; Monaco; Montserrat; Morocco; Netherlands; Norway; Panama; Peru; Philippines; Poland; Portugal; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Sint Maarten; Samoa; San Marino; Saudi Arabia; Senegal; Seychelles; Singapore; Slovak Republic; South Africa; Spain; Sweden; Switzerland; Tanzania; Trinidad and Tobago; Turkey; Turks and Caicos Islands; United Arab Emirates; United Kingdom; United States; Uruguay.

Asian Development Bank (ADB); African Tax Administration Forum (ATAF); Caribbean Community Secretariat (CARICOM); Centre de Rencontres et d'Etudes des Dirigeants des Administrations Fiscales (CREDAF); Inter American Centre for Tax Administrations (CIAT); European Investment Bank (EIB); European Union (EU); International Monetary Fund (IMF); United Nations (UN); World Bank Group; World Customs Organisation (WCO).

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<sup>1</sup> 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: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

## ANNEX 2: STATUS OF AEOI COMMITMENTS

The table below summarises the intended timelines for first automatic exchanges under the new standard.<sup>2</sup>

<b>JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2017</b>
Anguilla, Argentina, Barbados, Belgium, Bermuda, British Virgin Islands, Bulgaria, Cayman Islands, Colombia, Croatia, Curaçao, Cyprus, Czech Republic, Denmark, Dominica, Estonia, Faroe Islands,* Finland, France, Germany, Gibraltar, Greece, Greenland,* Guernsey, Hungary, Iceland, India, Ireland, Isle of Man, Italy, Jersey, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mauritius, Mexico, Montserrat, Netherlands, Niue, Norway, Poland, Portugal, Romania, San Marino, Seychelles, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Trinidad and Tobago, Turks and Caicos Islands, United Kingdom
<b>JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2018</b>
Albania, Andorra, Antigua and Barbuda, Aruba, Australia, Austria, Bahamas, Belize, Brazil, Brunei Darussalam, Canada, Chile, China (People's Republic of), Cook Islands, Costa Rica, Ghana, Grenada, Hong Kong (China), Indonesia, Israel, Japan, Marshall Islands, Macao (China), Malaysia, Monaco, New Zealand, Panama, Qatar, Russia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Singapore, Sint Maarten, Switzerland, Turkey, United Arab Emirates, Uruguay
<b>FINANCIAL CENTRE JURISDICTIONS THAT HAVE NOT INDICATED A TIMELINE OR THAT HAVE NOT YET COMMITTED</b>
Bahrain, Nauru, Vanuatu

\* *Faroe Islands and Greenland are not Global Forum members but have committed to AEOI.*

The status of these commitments is updated on the Global Forum website on a continuous basis.

<sup>2</sup> The United States has indicated that it is undertaking automatic information exchanges pursuant to FATCA from 2015 and has 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.