

GLOBAL FORUM ON
**TRANSPARENCY AND EXCHANGE OF
INFORMATION FOR TAX PURPOSES**

Tax Transparency in Latin America 2024

Punta del Este Declaration Progress Report



Punta del Este, Uruguay



Argentina



Bolivia



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Colombia



Costa Rica



Dominican Republic



Ecuador



El Salvador



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Honduras



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The Punta del Este Declaration, its members and partners

2023 marked the fifth anniversary of the Punta Del Este Declaration. Originally signed in 2018, at the sidelines of the plenary meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum), organised in Punta del Este, Uruguay, this Declaration is now endorsed by the 15 Latin American members of the Global Forum. This Latin America Initiative is supported by six global and regional development and technical partners. Bolivia is an observer of the Initiative.

The core objective of the Punta Del Este Declaration is to bolster tax transparency in the region by fostering collaboration and information exchange among tax authorities. This commitment led to the establishment of the Latin America Initiative, which has played a pivotal role in advancing the tax transparency agenda regionally through capacity-building efforts tailored to address the specific challenges and needs of Latin American countries.

Having celebrated its fifth anniversary, it is crucial to acknowledge the work and efforts from the region towards achieving the main objectives of the Declaration, including the full and effective implementation of international tax transparency standards, the maximisation of the use of exchanged information to combat tax evasion, corruption, and other crimes and offences, as well as the exploration of broader co-operation opportunities provided by the Convention on Mutual Administrative Assistance in Tax Matters.

The Latin America Initiative remains open to any Latin American country endorsing the Declaration.



Ministerial Roundtable for Ministers of Finance from Latin American countries on “Leveraging International Tax Cooperation for Public Good” on 19 November 2018.



15

MEMBERS OF THE PUNTA DEL ESTE DECLARATION

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

1

OBSERVER OF THE PUNTA DEL ESTE DECLARATION

Bolivia

6

PARTNERS OF THE PUNTA DEL ESTE DECLARATION

Inter-American Centre of Tax Administrations, Inter-American Development Bank, International Finance Corporation, Institute of Fiscal Studies, Spanish Agency for International Development Cooperation and World Bank



Preface

The Punta del Este Declaration, launched in 2018, was created as an initiative to face entrenched issues of tax evasion and other illicit financial flows (IFFs) that significantly hamper development and equity in Latin America, through enhanced transparency and tax cooperation. These challenges are not only a matter of lost revenue but also of loss of confidence in public institutions, necessitating a robust response to ensure equity and fairness in the tax system.

In this light, the Latin America Initiative stands as a beacon of commitment and action. Since its inception, the signatories of the Declaration have pledged to fully and effectively implement the international standards of transparency and exchange of information (EOI) for tax purposes and maximise the effective use of the information exchanged to tackle tax evasion and other IFFs. By engaging in international tax cooperation and leveraging the advancements in global transparency and EOI for tax purposes, Latin American countries are making significant strides towards combating tax evasion, and other IFFs, mobilising domestic resources, reinforcing trust in the public sector, and facilitating a more equitable distribution of the tax burden. Since 2009, the additional revenue identified by the Initiative members thanks to tax transparency amounted to at least EUR 27.8 billion.

The benefits the region has experienced are evidence of the efforts put by the Latin American members in advancing the tax transparency agenda in the region. Counting on the support of the Secretariat of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) and the development and technical partners, the signatories of the Punta del Este

Declaration have built capacities and strengthened skills and knowledge to improve the use of the exchange of information tools.

Latin American members have substantially progressed in the implementation and use of the Standard on Exchange of Information on Request (EOIR), with a special attention to the enhancement of the transparency of beneficial ownership information through stronger frameworks. Although the full implementation of the Standard on Automatic Exchange of Financial Account Information (AEOI) is still in progress, considerable efforts are underway to establish the necessary legal and compliance structures, alongside bolstering information security management to safeguard the sensitive exchanged data. Some members have also declared their intention to implement by 2027 the Crypto-Asset Reporting Framework to ensure the annual automatic exchange of information on transactions in crypto-assets.

The Latin America Initiative has also focused on developing a pilot project with a view to facilitating the use for other enforcement purposes of information previously obtained via EOI for tax purposes, namely combating corruption, money laundering, terrorism



8th meeting of the Punta del Este Declaration,
27-28 June 2023, Asunción, Paraguay.

financing and customs offences. During this past year, the work has centred on delivering training on confidentiality for tax administrations and other law enforcement agencies, and on drafting a Competent Authority Agreement to implement the project in the future. This development in wider use of tax treaty-exchanged information aims at promoting a whole-of-government approach.

While Latin America has seen positive improvements in tax transparency, the journey towards a full and effective implementation of the international standards is ongoing. There is a need for further advancement in the implementation and effective use of the tax transparency standards, including the AEOI standard by

all the members. A multi-faceted approach to promote cooperation is crucial for fostering a collaborative environment and a more equitable tax environment across Latin America.

This report would not have been possible without the dedication and collaboration of the members and partner organisations. Their unwavering commitment to the principles of the Punta del Este Declaration and their active engagement in the Initiative's activities are the bedrock of the collective progress. We extend our deepest gratitude to all those involved for these contributions and look forward to continuing our work together to achieve greater transparency, fairness, and integrity in the tax systems.



Oscar Orué Ortiz
Chair
Latin America Initiative



Gaël Perraud
Chair
Global Forum



Zayda Manatta
Head of Secretariat
Global Forum



**Robinson Sakiyama
Barreirinhas**
Vice-Chair
Latin America Initiative

Acknowledgments



9th meeting of the Punta del Este Declaration, 28 November 2023, Lisbon, Portugal

Acknowledgments

The Tax Transparency in Latin America 2024 report marks a significant milestone as it provides an overview of the progress achieved in the region over the past five years since the inception of the Punta del Este Declaration. The report has been prepared by the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) Secretariat, based on the information kindly shared by the members and observer of the Initiative.¹

The Global Forum Secretariat extends its gratitude to the officials from the ministries of finance and tax authorities

of the 15 Latin American countries, as well as the observer country, who diligently provided data for the report by responding to the Global Forum Survey. Their unwavering efforts in gathering accurate data, offering further clarifications, and sharing valuable experiences have been indispensable to the quality of this report.

Lastly, the Global Forum Secretariat expresses its appreciation to the development and technical partners of the Latin America Initiative for their steadfast commitment to promoting the tax transparency agenda and supporting capacity-building efforts in the region.

1. This report was prepared by the following staff of the Global Forum Secretariat: Agnes Rojas, Jaime Pazmiño, and Miguel Morelos, under the supervision of Hakim Hamadi, Head of the Capacity-Building and Outreach Unit, and Zayda Manatta, Head of the Global Forum Secretariat.

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Abbreviations and acronyms

AECID	Agencia Española de Cooperación Internacional (Spanish Agency for International Development Cooperation)
AEOI	Automatic Exchange of Financial Account Information
AML	Anti-Money Laundering and Counter Terrorist Financing
APRG	Automatic Exchange of Information Peer Review Group
BO	Beneficial Owner
CAA	Competent Authority Agreement
CARF	Crypto-Asset Reporting Framework
CBAR	Cross-border assistance in the recovery of taxes
CIAT	Centro Interamericano de Administraciones Tributarias (Inter-American Centre of Tax Administrations)
CRS	Common Reporting Standard
DTC	Double Tax Convention
EOI	Exchange of information
EOIR	Exchange of information on request
GDP	Gross Domestic Product
IDB	Inter-American Development Bank
IEF	Instituto de Estudios Fiscales (Institute of Fiscal Studies)
IFC	International Finance Corporation
IFF	Illicit Financial Flow
MAAC	Convention on Mutual Administrative Assistance in Tax Matters
MoU	Memorandum of Understanding
PRG	Peer Review Group for Exchange of Information on Request
STE	Simultaneous tax examinations
TEA	Tax Examinations Abroad
TIEA	Tax Information Exchange Agreement



Executive summary

The Tax Transparency in Latin America 2024 report encapsulates the region's journey towards the fight against tax evasion and other illicit financial flows (IFFs) through tax transparency, as well as the challenges that lie ahead. It highlights the pivotal role of international tax co-operation, the critical need for capacity building, and the ongoing efforts to fully and effectively implement the international standards on transparency and exchange of information (EOI) across Latin America and beyond.

Executive summary

Latin American countries have strongly benefitted from the implementation and use of the tax transparency standards. Since 2009, Latin American members of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) have identified at least EUR 27.8 billion in additional revenue through EOI and EOI-related voluntary disclosure programmes.

The Punta del Este Declaration now endorsed by the 15 Latin American members of the Global Forum has enshrined the tax transparency agenda as a priority for the region to tackle tax evasion and other IFFs and mobilise more domestic revenue. To advance the objectives set in the Declaration, the establishment of a Latin America Initiative, led by high-level officials from Latin American members has been instrumental.

In the past five years, tangible progress has been made in the region. Latin American members have advanced in their implementation of the tax transparency standards with the systems for exchange of information on request (EOIR) being relatively more developed than those for automatic exchange of financial account information (AEOI), given the longer time the EOIR standard has been in implementation.

The impact of EOIR has become increasingly apparent, with at least EUR 862 million in additional revenue identified from 2019 to 2023 alone, thanks to 2 964 cross-border requests for information. This outcome derives from the development of solid EOI infrastructures and the broadening of the EOI network of Latin American members. Indeed, Latin American members have considerably widened their EOI networks by participating to the Convention on Mutual Administrative Assistance in Tax Matters with 2 000 EOI bilateral relationships in force for these countries, which lays a solid foundation for tax co-operation between tax authorities. However, the use of the EOIR tool remains quite uneven among them. Therefore, supporting the development of a culture of EOI among tax auditors as well as the removing of any legal or administrative hurdle to an efficient use of the EOIR tool will remain instrumental.

In the same 2019-2023 period, they identified at least EUR 708 million through the use of AEOI data and voluntary disclosure programmes (VDPs). However, further progress is required for the region to benefit from the whole potential of AEOI. Indeed, only ten Latin American members are currently implementing the AEOI standard and most of them are



11th Global Forum plenary meeting,
26-27 November 2018, Punta del Este, Uruguay.

still in the learning curve on making the most efficient use of the financial account data received. This just demonstrates the revenue potential of a broader uptake of AEOI in the region to obtain valuable information on undeclared financial assets held abroad and associated revenue. With more experience gained in using the data, implementing countries would also maximise the revenue impact.

One of the key objectives of the Declaration is to explore ways to facilitate the use for non-tax purposes of information previously obtained for tax purposes thus further promoting a whole-of-government approach to fighting IFFs. To meet this objective, the Latin America Initiative started with the adoption of a framework for the wider use of tax-treaty exchanged information, followed by the launch of a pilot project and throughout the years important steps were taken. Since end 2022, six Latin American countries signed up for the pilot project and during 2023 the Initiative has worked on the implementation phase of the project with the development of a draft Competent Authority Agreement (CAA) to allow pilot countries to participate in wider use, the delivery of training on confidentiality and data safeguards to tax and non-tax law enforcement agencies.

Despite the significant progress achieved in the region, there is still room for growth and improvement to reach a full and effective implementation and use of the tax transparency standards. Looking forward and building on the impactful capacity-building programme provided to Latin American countries, the Global Forum Secretariat and the partners will pursue their joint efforts to provide bilateral and multilateral technical assistance, organise trainings and create knowledge tools and e-learning courses to bolster EOI knowledge and skills across the region in all areas relevant for tax transparency. This strategic direction aims to harness the full potential of tax transparency for revenue mobilisation in Latin America and effective tackling of all forms of IFFs.

.....
One of the key objectives of the Declaration is to explore ways to facilitate the use for non-tax purposes of information previously obtained for tax purposes thus further promoting a whole-of-government approach to fighting IFFs.



Overview of tax transparency in Latin America 2019-2023



Tax transparency has become a pivotal focus for Latin American countries as they combat tax evasion and other illicit financial flows (IFFs). Recognising the critical role of exchange of information (EOI), Latin American members have been diligently enhancing their EOI frameworks. This has involved establishing dedicated and resourced EOI units and investing in training and technical tools to bolster domestic revenue mobilisation. Despite significant progress, disparities and challenges remain. Capacity building is underway to ensure increased benefits for all Latin American countries.

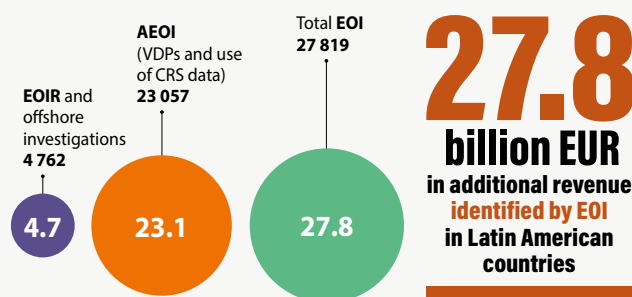
The Punta del Este Declaration

- **15 signatories:** Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru and Uruguay.
- **1 observer:** Bolivia.
- **6 development and technical partners:** Institute of Fiscal Studies, Inter-American Centre of Tax Administrations, Inter-American Development Bank, International Finance Corporation, Spanish Agency for International Development Cooperation and the World Bank.

Revenue identified as a result of the exchange of information

Latin American countries have identified at least EUR 27.8 billion in additional revenue through exchange of information on request (EOIR) and offshore tax investigations, automatic exchange of financial account information (AEOI), EOI-related voluntary disclosure programmes (VDPs). In the last five years, Latin American members reported identifying close to EUR 2.1 billion of additional revenue, taking into account the fact that not all members in the region monitor the impact of EOI in relation to domestic resource mobilisation.

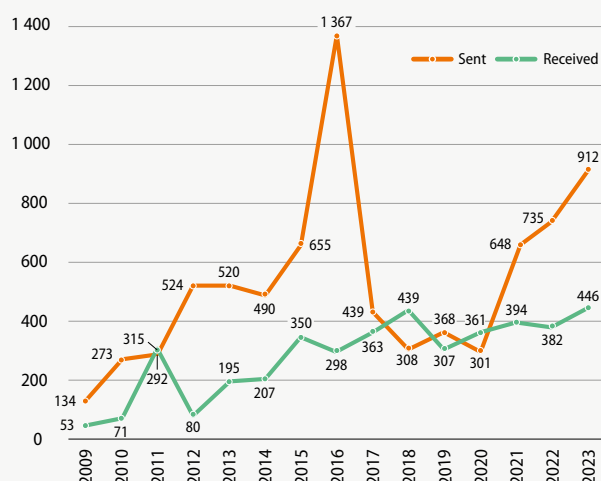
Revenue identified by Latin American countries as a result of EOI during 2009-2023, in EUR million



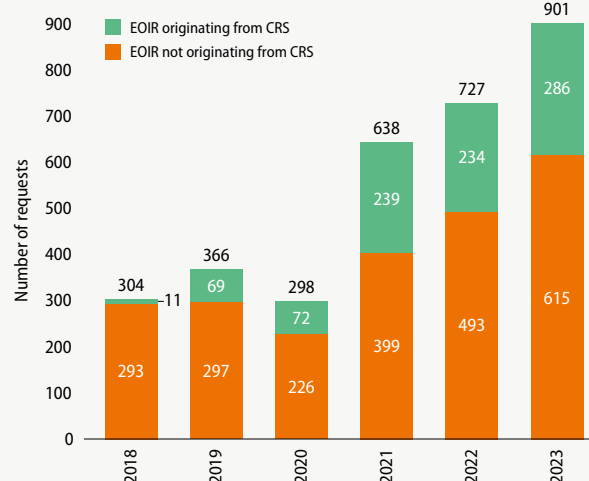
EOI requests sent and received by Latin American countries

Since 2019, countries in the region have identified at least EUR 862 million of additional revenue resulting from 2 964 requests sent. The benefits of exchange of information on request (EOIR) have followed an increasing trend with extraordinary revenue gains during 2017-2018 because of audits and investigations of four Latin American countries. The increase in the number of EOI request is correlated with the effective use of Common Reporting Standard (CRS) data with around one third of the requests sent during 2021-2023 originating from the analysis of CRS data. In addition, the increase of staff trained on EOI has contributed to these results.

Number of EOI requests sent and received by Latin American respondents



Number of EOI requests sent based on CRS data received by Latin American countries participating in AEOI

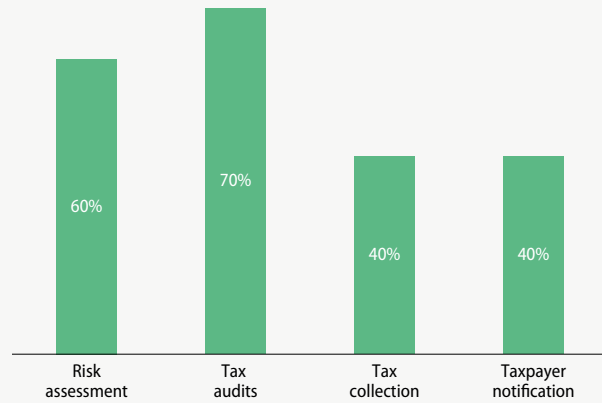


Effective use of CRS data by Latin American members

Eight Latin American countries have reported on how they used CRS data to support on-going tax activities, compliance, and revenue collection. For the past five years, due to the use of CRS data, Latin American members have identified at least EUR 118.9 million.

118.9
million EUR
identified by CRS data
2018-2023

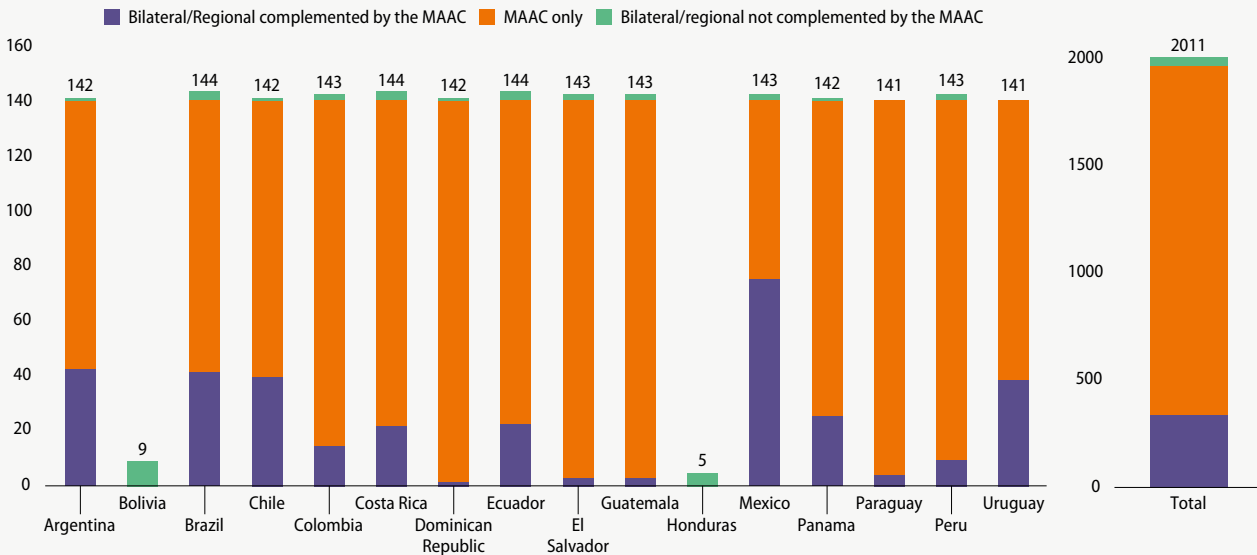
Use of CRS data in 2023 by Latin American countries participating in AEOI



Latin American countries have developed strong EOI networks

Latin American members have entered into numerous regional or bilateral EOI agreements to foster tax co-operation between them. Latin American countries would only have 385 bilateral relationships without the Convention on Mutual Administrative Assistance in Tax Matters (MAAC). With this instrument, this figure has increased to over 2 000 at the end of 2023. Also, most Latin American members have an EOI network covering more than 140 countries.

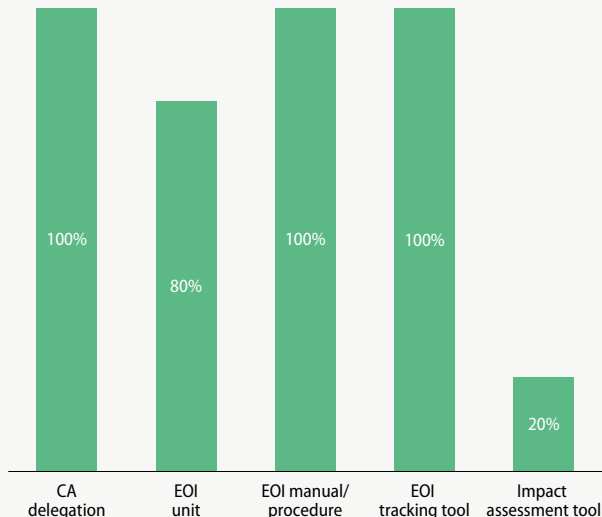
Latin American countries' EOI relationships in force



EOI infrastructures in Latin America

Most Latin American members have a robust EOI infrastructure, with a functional EOI unit in place, equipped with tools and knowledgeable staff. From 2020 to 2023, 7 957 officials have been trained on EOI. However, a limited number of countries have implemented assessment tools to monitor the impact of EOI on domestic resource mobilisation (DRM).

7 957
officials trained
on EOI in Latin America –
2020-2023





Latin America Initiative: Five years of commitment to tax transparency

1

Five years ago, Latin American countries decided to join forces to tackle the significant challenges they face with respect to revenue collection and the fight against illicit financial flows (IFFs).¹ For Latin American countries, tackling tax evasion, corruption, and other crimes and offences that transcend tax evasion is critically important. The amount that is lost due to tax evasion is significantly high in most Latin American countries, amounting according to some estimates to 6.1% of the region's gross domestic product (GDP).² Tax administrations in Latin America therefore needed to scale up their efforts and enhance regional co-operation so information exchanged can be used to its full extent.

1. IFFs can be defined as all cross-border outflows of money with illegal origin or destination. They are "generated by methods, practices and crimes aimed at transferring financial capital out of a country in contravention of national or international laws. More information on the topic is available at OECD (2014), *Illicit Financial Flows from Developing Countries: Measuring OECD Responses*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264203501-en>.
2. ECLAC (2020), *Fiscal Panorama of Latin America and the Caribbean 2020: Fiscal policy amid the crisis arising from the coronavirus disease (COVID-19) pandemic*, <https://repositorio.cepal.org/handle/11362/45731>.

Through the Punta del Este Declaration, Latin American countries committed to improve tax transparency in the region by strengthening co-operation and exchange of information (EOI) between the different tax administrations and by maximising its use. After five years of engagement and co-operation among Latin American countries in transparency and EOI for tax purposes, the Latin America Initiative is consolidated, with a wide endorsement from countries and regional partners, a steering governance and work plan, and comprehensive reporting, becoming then a catalyst for progress.

WIDE ENDORSEMENT OF THE PUNTA DEL ESTE DECLARATION

The adherence to the Punta del Este Declaration increased rapidly: from four countries that originally signed it in 2018, to having all 15 Latin American members of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) joining the Declaration (see Figure 1). In addition, one country not member of the Global Forum participates in this Initiative as an observer (Bolivia).

GOVERNANCE FRAMEWORK AND WORK PLAN TO STEER THE LATIN AMERICA INITIATIVE

In 2020, a governance structure was endorsed so that Latin American members play a more active role with increased ownership in the management of the Initiative's activities. This governance framework, which involves the annual election of rotating Chairs and Vice-Chairs selected amongst high-level officials from Initiative members, steers the work of the Initiative, ensures that actions are aligned to the needs of the region, and oversees the development and implementation of the capacity-building activities (see the leadership of the Initiative in Figure 2).

A triannual work plan that is endorsed by the Latin American members guides the activities carried out under the Initiative. Following the successful delivery of the founding 2021-2023 work plan (see Figure 3), members of the Initiative adopted in 2023 an ambitious programme of work for 2024-2026 (see Figure 4).

FIGURE 1. **Timeline of adherence to the Punta del Este Declaration**



Source: Global Forum Secretariat.

Latin America Initiative: Five years of commitment to tax transparency

FIGURE 2. Leadership of the Latin America Initiative, 2021-2024



Source: Global Forum Secretariat.

These work plans are based on:

- baseline actions for all Latin American members which aim at setting an adequate legal, organisational and monitoring framework that will allow countries to fully implement and benefit from exchange of information on request (EOIR) and automatic exchange of financial account information (AEOI)
- complementary actions which are optional advanced activities in which interested Latin American members can participate.

Box 1 includes an interview with Brazil and Paraguay, current leadership of the Latin America Initiative, and with Uruguay, founding country of the Punta del Este Declaration, to reflect on the progress made during the last five years.

BOX 1. Reflecting on the progress made during the five years of the Latin America Initiative

Interview with **Mr Oscar Orué Ortiz**, National Director of Tax Revenues of Paraguay, Chair of the Punta del Este Declaration; **Mr Robinson Sakiyama Barreirinhas**, Special Secretary of the Federal Revenue of Brazil, Vice-Chair of the Punta del Este Declaration, and **Ms Margarita Faral**, Director General of Revenue, General Directorate of Taxation of Uruguay.

How do you see the Latin America Initiative's evolution from its launch in 2018 until now?

Mr Oscar Orué Ortiz

Significant progress has been made since the launch of the Latin America Initiative and this is largely due to the priority that Latin American countries give to tax transparency to tackle tax evasion and to increase domestic revenue mobilisation.

The statistics show momentum in the creation of solid EOI infrastructures through dedicated technological and human resources and the strengthening of technical capacities. However, there are still challenges identified in that most members still make few EOI requests, and the use of Common Reporting Standard (CRS) data could be further improved.

In the last five years, the figures show that member countries have benefited significantly from the implementation of the tax transparency standards and have been able to increase their tax revenues, which gives me great satisfaction as Chair of this regional Initiative and demonstrates the firm commitment of all members to continue working to strengthen capacities and to overcome the various obstacles to the effective use of this important tool in the fight against tax evasion and IFFs.

FIGURE 3. Work plan 2021-2023

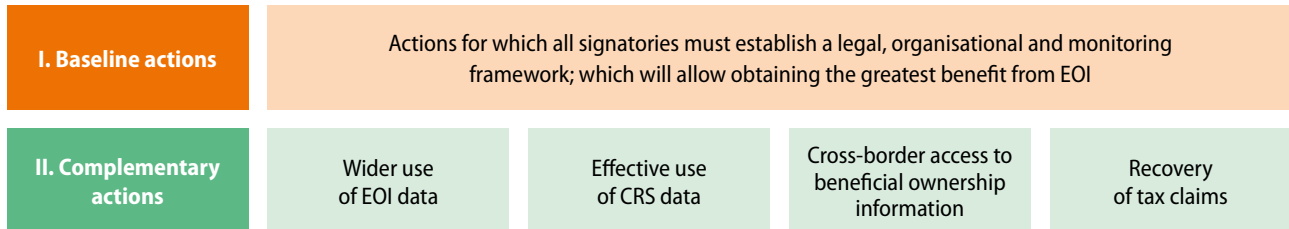
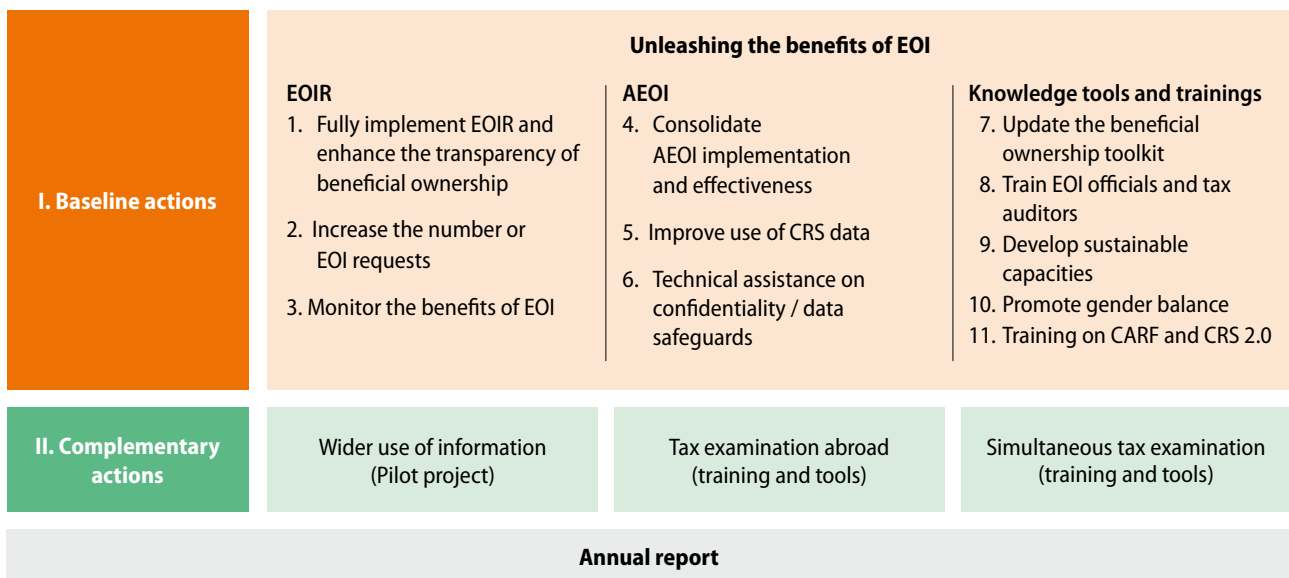


FIGURE 4. Work plan 2024-2026



Note: CARF stands for Crypto-Asset Reporting Framework, and CRS for Common Reporting Standard.

Source: Global Forum Secretariat

Mr Robinson Sakiyama Barreirinhas

The Punta del Este Declaration is an initiative that has achieved a remarkable success in bringing together 15 Latin American jurisdictions as members to join efforts in the fight against tax evasion and other IFFs flows through EOI. Similar realities bring jurisdictions closer and provide better understanding of the challenges to be faced. Tax transparency has become a highly relevant topic for governments in the region and their tax administrations. The number of jurisdictions that have implemented the tax transparency standards shows the importance of this topic and the results of the Initiative’s work.

The capacity-building programmes developed over these years and the technical assistance provided by the Global Forum Secretariat for the members of the Initiative have an important role to ensure that all members effectively benefit from the standards, fighting more efficiently tax evasion and other IFFs.

Ms Margarita Faral

The Initiative has grown significantly from the countries that originally signed the Punta del Este Declaration (2018) to the current 15 signatory countries. The participation of a greater number of Latin American countries contributes to the Initiative becoming a forum for exchange of experiences and projecting the future of the region in terms of international transparency.

The governance mechanisms agreed by the Initiative members to define the directions to be followed demonstrate its maturity and allow us to predict the challenges in terms of international transparency that the future holds for us can be addressed in a coordinated manner.

Continued on page 20...

Latin America Initiative: Five years of commitment to tax transparency

... Box 1 continued.

What are the critical successes that the Latin America Initiative has achieved in these first five years regarding the implementation of the standards, the fight against tax evasion and other IFFs, and the mobilisation of domestic revenues?

Mr Oscar Orué Ortiz

I can mention as critical successes the following:

- The level of maturity of member countries reflected in the recognition of the benefits and continued work towards international tax transparency.
- The concrete steps taken by the Latin America Initiative to expand the use of information exchanged for tax purposes for non-tax purposes through the wider use of treaty-exchanged information pilot project. In addition, the design and implementation of a data confidentiality and safeguarding training programme to raise awareness of its importance among tax and non-tax agencies participating in the pilot project.
- The progress in the implementation of the EOIR and AEOI standards thanks to the strong support and technical assistance of the Global Forum Secretariat.
- The expansion of the EOI network through the signing and ratification of the Convention on Mutual Administrative Assistance in Tax Matters (MAAC).
- The increased revenue identification through the use of EOI tools.

Mr Robinson Sakiyama Barreirinhas

Brazil considers the effective implementation of international tax transparency standards has laid the grounds for additional advances to expand the benefits for the countries in the region. Currently, Brazil is participating in the pilot project for the wider use of treaty-exchanged information for non-tax purposes – for customs purposes. Brazil believes that the Initiative encourages and motivates jurisdictions to adhere to the MAAC, to expand the effective implementation of international tax transparency standards and to advance administrative co-operation amongst peers.

Ms Margarita Faral

In our view, the creation of a genuine discussion forum for our countries has allowed us to put the challenges posed by international standards on transparency and exchange of information for tax purposes into a common perspective and to share experiences and support each other in the way forward.

What are the remaining challenges of the region as of today?

Mr Oscar Orué Ortiz

I consider the following as remaining challenges:

- The consolidation of the effective and efficient use of EOI across all countries in the region.
- The development of sustainable capacities on EOI in tax administrations of Latin American countries.
- The use of both the EOIR and the AEOI standards, which allows countries to increase the mobilisation of domestic revenues and, through it, boost the fight against IFFs.

Mr Robinson Sakiyama Barreirinhas

I would like to point out three challenges. One of the main challenges faced by tax administrations since jurisdictions started exchanging CRS data is how to use the data in the most effective way to mobilise domestic revenues. Another one, in some countries, is still the implementation of an adequate EOI infrastructure, with a functional EOI unit in place, equipped with tools and a sufficient knowledgeable staff. The third one is systematically tracking the benefits derived from EOI; thinking ahead and taking into consideration the transparency and accountability of the tax administration, we should seek the implementation of tools to monitor the impact of EOI in relation to domestic resource mobilisation to continue advocating for tax transparency and EOI.

Ms Margarita Faral

The implementation of the CRS 2.0 as well as CARF for Latin American countries will be a crucial challenge, and the scope of the Initiative together with the capacity building support provided by the Global Forum Secretariat will undoubtedly be key tools for their proper implementation in our region.

How do you see the evolution of the Initiative in the next five years?

Mr Oscar Orué Ortiz

I am extremely optimistic about the implementation of the points agreed in the Declaration, based on the active membership of Latin American members in the Global Forum, the firm commitment to international tax transparency and the promising results obtained during the second round of reviews of the EOIR standard, which is currently ongoing.

I would also like to underline that this Chairmanship is committed to fully support and promote a sustained increase in the level of maturity in the implementation of standards, which would in turn translate into effective domestic revenue mobilisation. In addition, member countries are encouraged

... Box 1 continued.

to join the pilot project for wider use. I also would like to recall that the pilot project is open to any Latin American country subscribing to the Punta del Este Declaration.

Mr Robinson Sakiyama Barreirinhas

It would be very much appreciated to see Latin American countries further using and benefiting from EOI, which requires the integration of the EOI tools by all functions in the tax administration.

It will also be relevant to further develop efficient and advanced data analysis to support the use of the exchanged information, especially considering the CRS data and the new

frontiers of exchange of information that we expect to see in place in the coming years.

Ms Margarita Faral

The next five years will find the region facing the challenge of ensuring the tax administrations maintain high levels of collection through the promotion of compliance by our taxpayers. The tools we have internally should be strengthened based on international instruments for access to information that is relevant for tax purposes.

Source: Nacional Directorate of Tax Revenue of Paraguay, Federal Revenue Service of Brazil, General Directorate of Taxation of Uruguay.

ENGAGEMENT THROUGH ANNUAL MEETINGS AND HIGH-LEVEL EVENTS

Members of the Latin America Initiative meet periodically to review progress, discuss challenges and identify priority areas for action (see Table 1). In addition to the bi-annual meetings, two high-level events were celebrated: (i) a ministerial breakfast in November 2019, to discuss the achievements during the first year of the Initiative, as well as the way forward to implement

the objectives set out in the Declaration; and (ii) a high-level working dinner of ministers of finance and heads of tax administrations in June 2023, to celebrate the fifth anniversary of the Declaration and to reflect on the progress made as Latin American members implemented activities to pursue their tax transparency and resource mobilisation objectives.¹

TABLE 1. Punta del Este Declaration – Latin America Initiative meetings

Meeting	Date and place
1 st meeting: ministerial roundtable for Ministers of Finance from Latin American countries	19 November 2018 – Punta del Este, Uruguay
2 nd meeting: ministerial breakfast	26 November 2019 – Paris, France
3 rd meeting	12-13 November 2020 – virtual
4 th meeting	12-13 July 2021 – virtual
5 th meeting	16 November 2021, in the margins of the Global Forum plenary meeting – virtual
6 th meeting	3-4 May 2022 – San José, Costa Rica
7 th meeting	8 November 2022, in the margins of the Global Forum plenary meeting – Seville, Spain
8 th meeting, including high-level working dinner of Ministers of Finance and heads of tax administrations	26-28 June 2023 – Asunción Paraguay
9 th meeting	28 November 2023, in the margins of the Global Forum plenary meeting – Lisbon, Portugal

Source: Global Forum Secretariat

1. The Statements of Outcomes of the Latin America Initiative meetings are available at <https://www.oecd.org/tax/transparency/what-we-do/technical-assistance/punta-del-este-declaration.htm>.

Latin America Initiative: Five years of commitment to tax transparency

REPORTING ON THE PROGRESS MADE BY LATIN AMERICAN COUNTRIES

One of the strategic outputs of the Initiative has been the delivery of the annual Tax Transparency in Latin America report (see Table 2). Since 2021, this annual report has been the barometer of the progress in tax transparency in Latin America, a unique instrument to communicate the progress made and

the challenges faced, as well as to raise awareness on the benefits of tax transparency from decision-makers to citizens, and an effective vehicle to share good practices. The key findings help inform Latin America Initiative members on the issues they may wish to concentrate efforts on.



Opening the 8th meeting of the Punta del Este Declaration with the then President of Paraguay, Mr Mario Abdo Benítez, 27 June 2023, Asunción, Paraguay.

TABLE 2. Tax Transparency in Latin America: Punta del Este Declaration Progress Reports 2021-2023

Edition	Launch date
Tax Transparency in Latin America 2021 ^a	12 July 2021, 4th meeting
Tax Transparency in Latin America 2022 ^b	3 May 2024, 6th meeting
Tax Transparency in Latin America 2023 ^c	27 June 2023, 8th meeting

Source: Global Forum Secretariat.

- a. OECD (2021), *Tax Transparency in Latin America 2021: Punta del Este Declaration Progress Report*, Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD, Paris, <https://www.oecd.org/tax/transparency/documents/Tax-Transparency-in-Latin-America-2021.pdf>.
- b. OECD (2022), *Tax Transparency in Latin America 2022: Punta del Este Declaration Progress Report*, Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD, Paris, <https://www.oecd.org/tax/transparency/documents/Tax-Transparency-in-Latin-America-2022.pdf>.
- c. OECD (2023), *Tax Transparency in Latin America 2023: Punta del Este Declaration Progress Report*, Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD, Paris, <https://www.oecd.org/tax/transparency/documents/tax-transparency-in-latin-america-2023.pdf>.

PARTNERSHIPS TO SUPPORT LATIN AMERICAN COUNTRIES

Collaboration with development and technical partners has been a major asset to create effective synergies that facilitate the implementation of the tax transparency standards in the Latin American region, without which progress will not have been possible. Through coordinated approaches, they have helped respond to the significant demand for capacity building and assistance in the region. The Latin America Initiative

gathers now six partners: the Institute of Fiscal Studies (*Instituto de Estudios Fiscales – IEF*), the Inter-American Centre of Tax Administrations (*Centro Interamericano de Administraciones Tributarias – CIAT*), the Inter-American Development Bank (IDB), the International Finance Corporation (IFC), the Spanish Agency for International Development Cooperation (*Agencia Española de Cooperación Internacional – AECID*) and the World Bank.



9th meeting of the Punta del Este Declaration, 28 November 2023, Lisbon, Portugal.

A dark orange silhouette map of Latin America is centered in the upper half of the page. A large white number '2' is enclosed in a dotted yellow circle on the left side. A horizontal dotted yellow line runs across the page, passing behind the text.

2

Tax transparency for domestic revenue mobilisation

The collection of additional revenue is one of the ultimate goals of the implementation of the tax transparency standards and one of the primary objectives stated in the Punta del Este Declaration. Since 2009, Latin American countries have reported identifying at least EUR 27.8 billion of additional revenues thanks to the implementation and use of these standards. In 2023, they identified at least EUR 50.5 million of additional revenue. However, there are important disparities among Latin American countries. The lessons learned during the last five years have demonstrated that the incorporation by tax authorities of EOI at the core of their tax audit and compliance strategies, and the exploitation of synergies between EOIR and AEOI, are the catalysts to unlock the potential of tax transparency in domestic resource mobilisation.

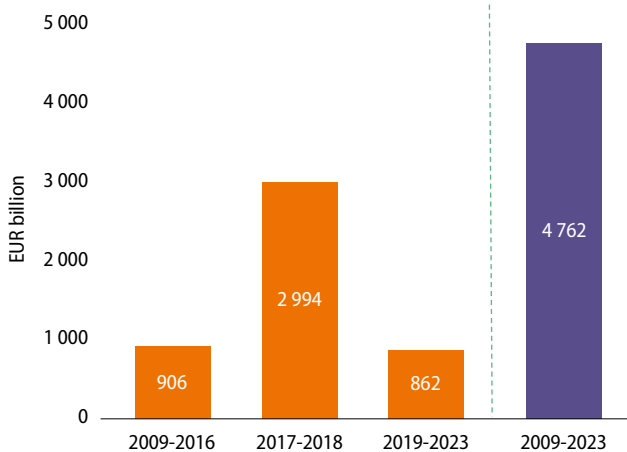
THE IMPACT OF EXCHANGE OF INFORMATION ON REQUEST

The EOIR standard allows the tax authority from one jurisdiction to obtain upon request information, which is foreseeably relevant to support the advancement and resolution of its cross-border investigations and audits, from another jurisdiction’s competent authority. EOIR is a powerful tool for tax authorities to ensure that offshore revenues, cross-border transactions and assets maintained abroad do not escape tax.

As the first internationally agreed EOI standard, most of Latin American members have been implementing EOIR for more than a decade with a visible impact on the number of requests sent and additional resources identified. Since 2009, Latin American members have identified close to EUR 4.8 billion of additional revenues (tax, interests, penalties) thanks to EOIR and offshore tax investigations (see Figure 5).

However, the revenue identified is likely to be higher, as not all Latin American members currently monitor the impact of EOIR. Moreover, the results of tax audits and investigations can take long to materialise. With more experience gained by Latin American countries in using EOIR to support their audits and investigations, the substantial figure of additional revenues should continue to increase in the coming years. Finally, the impact of the deterrent effect of the availability of this tool to tax authorities is difficult to grasp in a figure.

FIGURE 5. Revenue identified as a result of exchange of information on request and offshore tax investigations



Note: Responses from 16 Latin American countries in relation to the 2009-2022 period. In 2023, responses from 15 Latin American countries.

Source: 2024 Tax Transparency in Latin America survey.

The increase in EOIR revenue is correlated with the number of requests sent by Latin American countries in the same period. Requests for information experienced an outstanding increase of almost 600% during the 2009-2023 period. Overall, the Latin American region is a net sender of requests, and the requests sent since 2009 almost outnumbered by twice the number of requests received (see Figure 6).

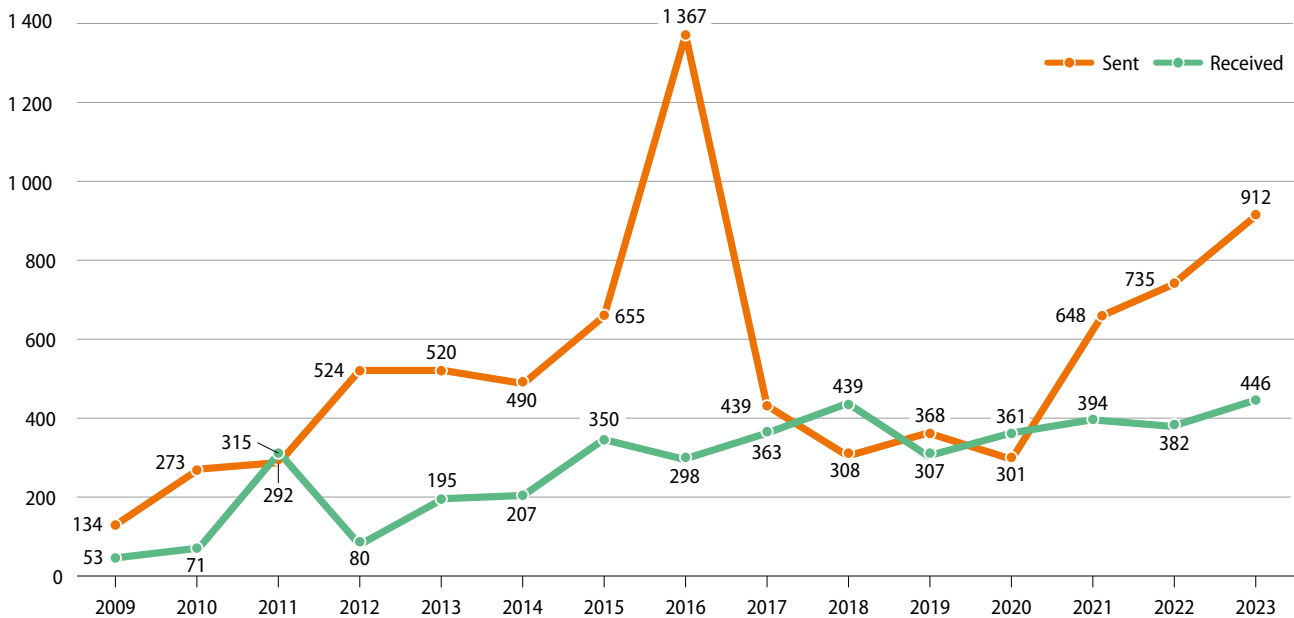


The five years since the launch of the Punta del Este Declaration have brought concrete results. During 2019-2023, EUR 862 million of additional revenue was identified because of 2 964 requests sent. This means that, on average, during such period one request for information returned EUR 290 796.

Overall, the benefits of EOIR have followed an upward trend in Latin America with extraordinary revenue gains in 2017-2018 because of audits and investigations, supported by information obtained on requests from four Latin American countries, which yielded close to EUR 3 billion. Latin American countries have also taken advantage of exceptional circumstances in the international tax environment, which were indicative of possible offshore tax evasion, to make intensive use of EOIR and submit requests. For example, one Latin American member sent 1 093 requests in 2016, following a leak of offshore information.

Tax transparency for domestic revenue mobilisation

FIGURE 6. Number of exchange of information requests sent and received by Latin America respondents



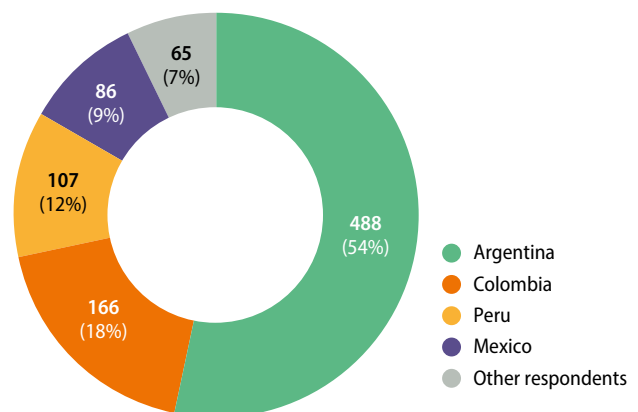
Note: Responses from 15 Latin American countries until 2022. In 2023, responses from 14 Latin American countries. Chile has provided data on the number of requests sent and received but preferred not to have them considered in the aggregate regional figures.

Source: 2024 Tax Transparency in Latin America survey.

These results demonstrate the value of EOIR in cross-border investigations, and the need to continue to move forward to take full advantage of this tool and make the best use of the information received to identify additional resources. Although the trend is positive, Latin American countries are making progress at different paces, and both revenue identified and requests sent remain concentrated in few leading countries: four Latin American countries concentrate 93% of the requests (see Figure 7), and most Latin American members sent fewer than 25 requests each.

Of the leading countries, the number of requests sent by Argentina, Colombia and Peru over the last five years stand out. During 2019-2023, Argentina increased its requests by 228%, Colombia by 168%, and Peru by an impressive 2 040%. This is the result of proactive strategies that have introduced EOIR as a critical part of audits, along with intensive training on the use of EOIR tools to tax auditors who are the actors rolling out EOIR in practice. In addition, with the implementation of the AEOI standard, these four Latin American countries have sent follow-up requests for information after the analysis of Common Reporting Standard (CRS) data and related domestic investigations launched. On average,

FIGURE 7. Distribution of requests for information sent by Latin American countries, 2023



Note: Responses from 14 Latin American members. Chile has provided data on the number of requests sent but preferred not to have them published. The labels show the number of requests sent and the corresponding percentage in brackets.

Source: 2024 Tax Transparency in Latin America survey.

since 2021 around one third of requests for information sent by Latin American countries participating in AEOI have been originated from CRS data previously received (see Figure 8). In the same period, an average of 46% and 34% sent by Argentina and Colombia respectively

derived from CRS data. For Peru, only in 2023 requests originating from CRS data represented almost half (49%) of the total requests sent.

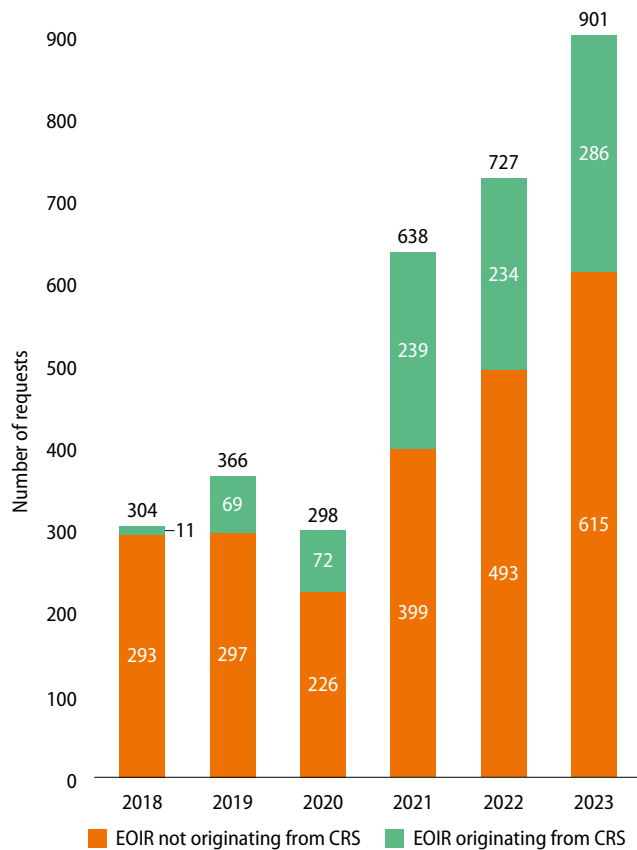
At the same time, Latin American members point to the following as the main challenges hindering EOIR:

- the insufficiency of human resources trained in EOIR, who can analyse the foreseeable relevance of the information to be requested
- the need to convince and create awareness on all areas within the tax administration of the relevance of EOI tools so it can be incorporated as part of tax compliance strategies.

Despite the awareness-raising activities and the solid capacity-building programme available, there is still room to further address these hindrances and support the effective development of an EOI culture in the region. Developing and entertaining such a culture within a tax authority is a driving force to initiate and consolidate the EOI virtuous circle (see Box 2).

The lessons learned from leading countries in the last years have been disseminated through the region. Latin American members, with the support of the Global Forum Secretariat and regional and international partners, are working towards ensuring that these challenges can be effectively tackled.

FIGURE 8. Impact of the CRS on EOIR requests



Note: Responses from nine Latin American members exchanging CRS data; Chile has provided numbers but preferred not to have them considered in the aggregate regional figures.

Source: 2024 Tax Transparency in Latin America survey.



Global Forum Secretariat helps Colombia prepare for EOIR peer review, 2-5 May 2023, Bogota, Colombia.



BOX 2. PERU: Creating a tax administration culture that pivots around EOI



Interview with **Mr Palmer Luis De La Cruz Pineda**, *National Strategy and Risk Intendant, National Superintendence of Customs and Tax Administration (SUNAT), Peru*

What were the challenges Peru faced in implementing the EOI standards?

The challenges of implementing the EOI standards involved different actors in the country, from the bodies in charge of tax policy, to the tax administration and even society itself.

The first challenge was the incorporation of new tax rules in the legal system to enable EOI, which meant the need to benchmark foreign legal systems having already implemented such rules as well as the impacts and benefits of EOI to ensure political alignment to enable the necessary reforms.

The second challenge was the transformation of the SUNAT, in order to create the necessary conditions for the exchange, such as the establishment of a specialised team dedicated not only to compliance with the standards but also to promoting the use of these mechanisms, the updating of security and confidentiality policies for information in order to reach the required international standards, the permanent study of the possibilities of using EOI to reduce tax evasion and avoidance, the development of a training plan to ensure that officials are aware of the forms of exchange and their potential, the issuance of guidelines and internal administrative procedures that enable the efficient use of this form of assistance, and the incorporation of mechanisms to measure and promote greater coverage and results of EOI.

The third challenge was to make the society understand the need for tax transparency, especially on financial transactions, which were protected by bank secrecy that could be opposed to the tax administration. This required the need to explain in different public instances the importance of tax transparency in the fight against tax evasion and avoidance in light of the experience of other more developed jurisdictions.

How did the SUNAT overcome these challenges and what have been the results so far?

A key element in overcoming the challenges has been the support provided by the Global Forum Secretariat through its technical assistance programme and even its participation in meetings with the different actors in charge of tax policy and

the civil society, helping us to build the necessary support to promote the reforms.

Another aspect that led to success was the incorporation of EOI as a strategic line within the Tax Compliance Improvement Plan of SUNAT, which made it possible to have the necessary internal momentum to achieve the results.

The results are reflected in the fact that we have robust information exchange procedures that meet the required standards, which have become an important tool for the reduction of tax evasion and avoidance, and which have great potential in the understanding of increasingly important international operations in the country.

How has EOI brought about a cultural change at SUNAT and new opportunities for greater efficiency in the tax system?

The cultural change brought about by EOI has been manifested in different aspects:

- a greater interest in the investigation of international transactions, recognising their significant impact on tax evasion and avoidance and their exponential growth in the generation of taxable events
- the need to keep information security and confidentiality policies and practices up-to-date to ensure the necessary safeguarding of all information held by the Tax Administration
- the openness to mutual administrative assistance, as more and more benefits are obtained from the interrelation with other jurisdictions not only to exchange information but also to share experiences
- the deepening of the knowledge of international tax rules and their relationship with tax obligations in Peru.

Moreover, this cultural change has resonated with the civil society, which now understands the need for tax transparency and for relying on an efficient tax administration able to investigate international transactions.

Source: National Superintendence of Customs and Tax Administration of Peru.

Box 3 and Box 4 show the experience of Mexico and Peru in the identification of additional revenue thanks to EOIR in 2023.

BOX 3. MEXICO: The use of EOIR to uncover tax treaty abuse and potential tax evasion



Mexico's Tax Administration Service (*Servicio de Administración Tributaria - SAT*) has effectively used EOIR for identifying beneficial owners and ensuring that taxpayers comply with their obligations generated by cross-border transactions, reinforcing the importance of international co-operation and transparency in the global tax landscape. In 2023, Mexico identified additional tax revenue after tax treaty abuse was confirmed thanks to EOIR.

In this specific case, Mexican companies A, B, C, D, and E engaged in the business of leasing drilling platforms from their related party, Company F, located in Country X. Company F, in turn, entered into agreements related to these platforms with entities in Country Y, ultimately owned by a parent company in Country Z. The SAT audited the income tax returns of the Mexican companies and was not able to identify which company was the owner of the platforms, nor in which of the three countries it was a tax resident. Given that the Mexican companies applied the benefits of the Double Taxation Convention (DTC) that Mexico signed with Country X to reduce the tax withholding rate, the SAT needed to identify who was the beneficial owner of the income derived from the drilling platforms' operations and its tax residence, to corroborate the correct application of the DTC.

Therefore, Mexico sought detailed information to determine if the companies in Countries X, Y and Z were tax residents of those countries and subject to income tax. The SAT made a request to each country, mainly asking for the following information:

- copies of the annual tax returns and financial statements
- confirmation if the income from the Mexican companies was declared, under which concept and if it was taxable or exempted
- invoices from the drilling operations and supporting documents regarding the payments made by the Mexican companies
- ownership information of the leased platforms and supporting documents (acquisition, leasing agreements, accounting records, payment records, among others)
- beneficial ownership information and corporate structure, including tax residence, of each entity that is part of the group.

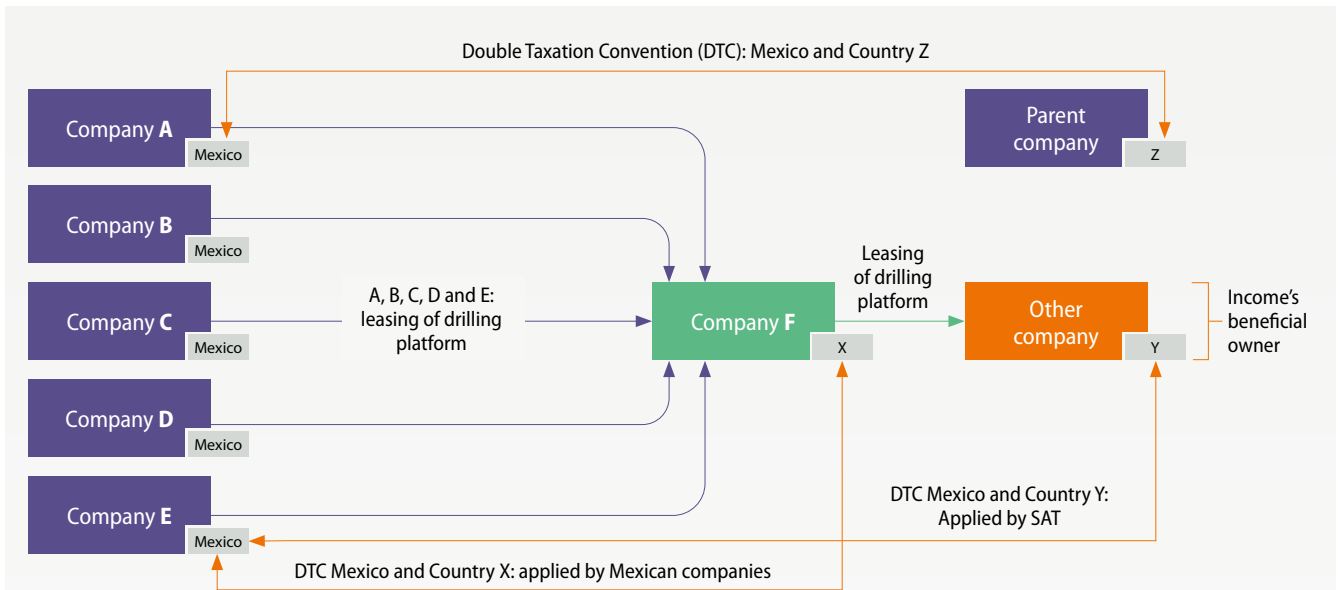
The competent authorities of each country provided the following key information:

- Country X confirmed Company F's tax residency and provided general information about its tax status, tax returns, financial statements, and details of leasing operations, clarifying Company F was not the platform owner.
- Country Y verified that the leased platforms were acquired and owned by a Company resident in Country Y and subsequently leased to Company F, sharing the acquisition documents.
- Country Z reported that Company Z was tax exempted and inactive, alongside with proof of the transfer of the platform ownership to Country Y entity.



Continued on page 28 ...

Tax transparency for domestic revenue mobilisation



... Box 3 continued.

Based on the analysis of the information received, the SAT concluded that the treaty between Mexico and Country X was not applicable because the resident in that country was not the beneficial owner of the lease agreement income. Instead, the Mexican companies should have applied the treaty with Country Y, as the residence country of the beneficial owner of

the income derived from the lease agreement of the drilling platforms.

With this information, SAT identified real platforms' beneficial ownership and companies A, B, C, D and E corrected their tax situations under the applicable tax treaties. This resulted in the identification of EUR 2.2 million of additional revenue.

Source: Tax Administration Service of Mexico.



Meeting with then President-Elect of Paraguay, Mr Santiago Peña, 27 June 2023, Asunción, Paraguay.



BOX 4. PERU: Enforcing compliance with tax obligations through EOIR

The National Superintendence of Customs and Tax Administration (*Superintendencia Nacional de Aduanas y de Administración Tributaria* – SUNAT) of Peru has effectively incorporated EOIR as a tool to support tax audits and to mobilise domestic revenue. The following cases illustrate how SUNAT has effectively used the information obtained from other jurisdictions.

CASE 1: Non-authentic tax residence certificates from related companies

During various contractual agreements spanning from year N to year N+4, a Peruvian company engaged in the following transactions with its related parties from the same foreign jurisdiction:

- **Year N:** Support, assistance, and advisory agreement with Foreign Company 1
- **Year N+2:** Trademark license agreement with Foreign Company 2
- **Year N+4:** Loan agreement with Foreign Company 3.

The Peruvian company registered deductible expenses for the payments made under those agreements. To these payments, the taxpayer applied a reduced withholding tax rate due to the application of a DTC between both countries.

During the tax audit performed by SUNAT, the taxpayer provided the authority with the tax residence certificates of each of the foreign companies. The residence certificates presented showed some differences among them, which raised doubts about their authenticity. Therefore, SUNAT requested information from the jurisdiction that issued the residence certificates to verify the existence of the foreign companies in the commercial and tax registries, and to validate the information on the residence certificates, specifically the one tied to the audited year.

The response from the foreign jurisdiction confirmed that the residence certificates provided by the Peruvian company were not issued by the tax authority of the foreign country. Consequently, SUNAT proceeded to apply the rate of the withholding taxes, without the benefits provided by the DTC, and assess the unpaid withholding taxes, which, along with interest and penalties, amounted to EUR 1.3 million.

CASE 2: Simulated loan agreements between relatives

A natural person engaged in the following financial transactions with related parties that are resident in a foreign jurisdiction:

- **Year N:** Loan agreement between the taxpayer and his father for EUR 1.1 million with an interest rate of 1% and a grace period of 16 months.

- **Year N:** Inheritance advance agreement between the taxpayer and his father for EUR 1.1 million.
- **Year N+4:** Loan agreement between the taxpayer and Company X (represented by the taxpayer's father) for EUR 2.9 million with an interest rate of 6%. Two days after the loan agreement's execution, Company X assigned the credit rights to the taxpayer's father, who paid EUR 2.9 million for the assignment.
- In **year N+5**, SUNAT launched an audit to the taxpayer and analysed the financial transactions made by the taxpayer. The tax administration requested the supporting documentation, including the payments made, but the taxpayer only provided a contract with no definite date regarding a debt extension and another one on debt forgiveness for the sum of EUR 2.9 million. The taxpayer did not provide any documents related to the payment of the expired debt for EUR 1.1 million.

Based on these circumstances, SUNAT requested information to the competent authority of the foreign jurisdiction to ascertain the conditions of the loan agreements and the status of the debts, as these raised reasonable doubts. The tax administration requested the following information:

- supporting documents regarding the loan agreements between the taxpayer and his father
- details and supporting documents regarding the assignment of the credit contract to the taxpayer's father and the payment made by the father for the assignment in year N+4
- information about the income declared, assets and properties under the father's name, loans executed with third parties, participation in any companies, and declared donations.

The foreign jurisdiction provided information that helped SUNAT gather evidence to corroborate inconsistencies in the loans and debt forgiveness, and that the taxpayer's father was a shareholder of Company X.

SUNAT disregarded the contracts signed between the taxpayer and his father and concluded that the loans constituted gifts in favour of the Peruvian taxpayer, since all the debts were forgiven by the taxpayer's father, which implied in an unjustified increase in wealth. The tax administration assessed the respective income tax liability that amounted to EUR 4.3 million.

Source: National Superintendence of Customs and Tax Administration of Peru.

THE IMPACT OF AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION

The AEOI standard provides for the mutual exchange of information on non-tax residents’ financial accounts. It enables tax authorities to track and detect non-declared offshore financial wealth, thus ensuring that their tax residents correctly report all income and assets held in offshore accounts on their tax returns.

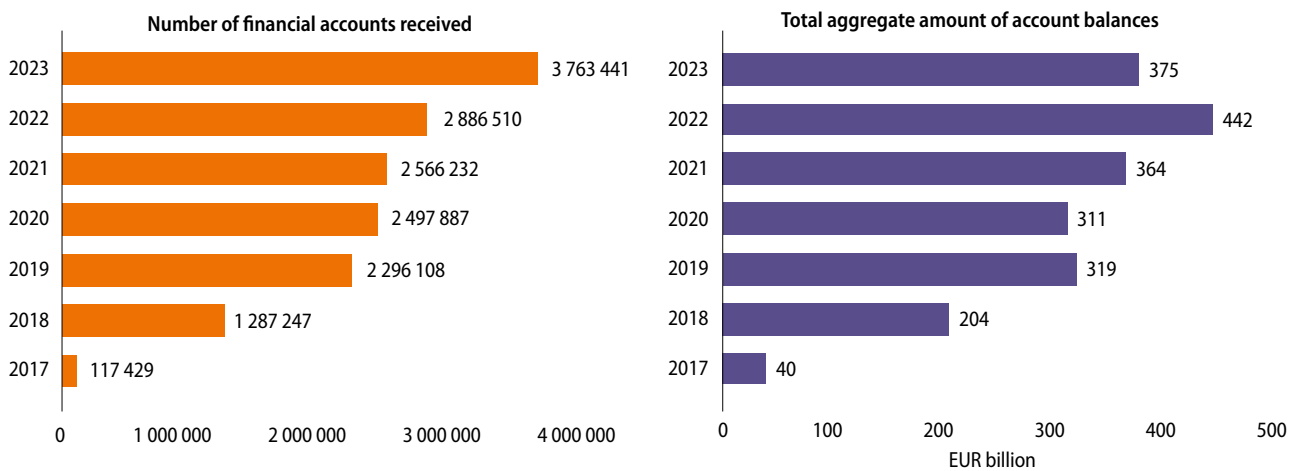
As of 2023, 10 Latin American countries have implemented the AEOI standard. Since its rolling out in 2017/2018, vast amounts of information on the wealth kept abroad by their tax residents have been received by them. For instance, in 2023 Latin American countries received information covering 3 763 441 financial accounts equivalent to EUR 375 billion worth of financial assets (see Figure 9). AEOI implementation has enabled Latin American countries to identify at EUR 23.1 billion of additional revenue through two strategies:

- Voluntary Disclosure Programmes (VDPs) launched in the context of the implementation of AEOI. A VDP is a last window of opportunity offered by a jurisdiction for non-compliant taxpayers to come forward and regularise their tax affairs by disclosing their financial accounts maintained abroad before the start of first AEOI exchanges.
- The effective use of the CRS data received for tax compliance purposes, by applying risk-based analysis.

The revenue collected shows that AEOI has been highly beneficial for the region. The major contribution (99.5% of the total revenue) has come from VDPs, with EUR 22.9 billion identified by seven Latin American countries. VDPs have proven to have a powerful deterrent effect, which improves voluntary compliance and broadens the tax base. For example, Ecuador, which started AEOI in 2021, identified EUR 27.2 million following a successful VDP launched in 2022. On the other hand, the effective use of the CRS data received to identify non-declared income have led to the establishment of tax liabilities of EUR 120.4 million since 2017. Figure 10 illustrates the evolution of revenue identified under this category, with three clearly identifiable progress stages:

- i. 2017-2018, when AEOI implementation began, and the first implementers started to receive CRS data but with sparse use
- ii. 2019-2021, when countries started to build up their expertise on the effective match and use of data
- iii. 2022-2023, with a significant increase in revenues identified, as a result of increased experience, the use of improved strategies and IT tools for data use and risk analysis.

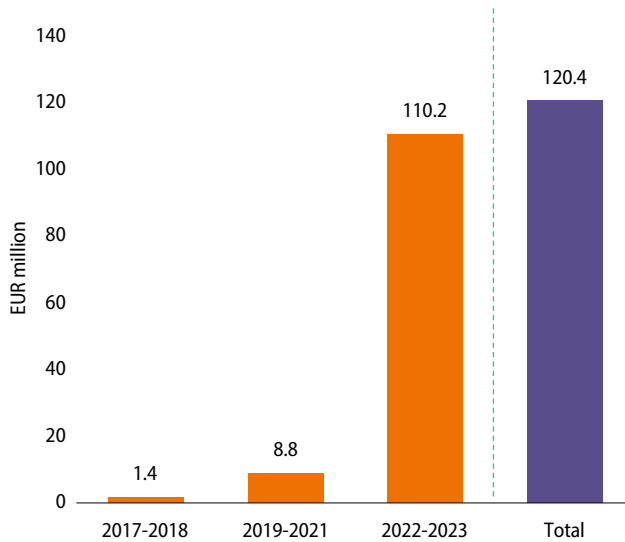
FIGURE 9. Number of financial accounts for which information was received and value of assets covered



Note: Responses from ten Latin American members exchanging CRS data. The figures for 2023 include data received in September 2023 and processed by Latin American respondents until April 2024.

Source: 2024 Tax Transparency in Latin America survey.

FIGURE 10. Revenue identified as a result of the effective use of CRS data



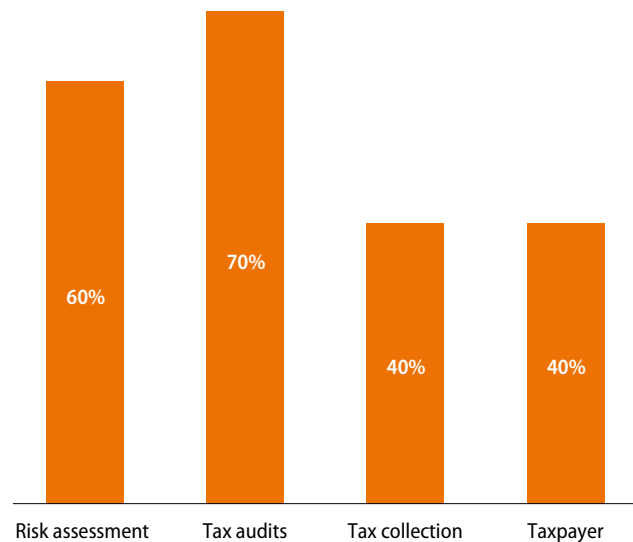
Note: Responses from 10 Latin American members.

Source: 2024 Tax Transparency in Latin America survey.

CRS data received can be used by tax authorities in different tax compliance activities, such as risk assessment, tax audits, tax collection, taxpayer identification and the pre-filing of tax returns. While Latin American countries implementing AEOI have significantly increased revenues identified, they are not all using all the possible tax compliance activities (see Figure 11).

The matching of the CRS data received with the domestic tax databases is a fundamental step in the effective use of data process for tax compliance purposes.¹ After the data is matched, it can be used by tax authorities to identify tax evasion, to carry out risk-based compliance activities, and to tackle a wide range of non-compliance behaviors in a proactive, targeted and cost-effective manner. It can also be used to facilitate taxpayer compliance for instance through the pre-filing of tax returns. Countries are also exploiting the synergies between AEOI and EOIR: when a discrepancy is detected through the analysis of CRS data, this triggers the request of additional information to complete the domestic tax investigation previously engaged. These activities are usually framed in the context of an overall tax compliance strategy.

FIGURE 11. Percentage of Latin American countries using CRS data in their tax compliance activities in 2023



Note: Responses from 10 Latin American countries that exchange CRS data

Source: 2024 Tax Transparency in Latin America survey.

The use of CRS data through the ability to perform a data matching process that results in high-quality taxpayer information is the main challenge reported by Latin American countries. This may be due to:

- technological limitations and lack of automated matching systems making extremely burdensome the manual matching of large amount of CRS data received
- data matching and validation processes that are not yet fully developed, resulting in some information of insufficient quality to be used for compliance purposes
- limited human resources with adequate skills to perform data matching and analysis.

In this area, Latin American countries are at different levels of maturity. The experience of Argentina, Ecuador and Peru shows the importance of developing sound strategies and IT applications to maximise the comparison and matching of the massive CRS data received with information contained in domestic databases. The simple matching of data helps detect

1. Data matching is the process of comparing the different sets of data (CRS data and domestic taxpayer databases), to verify if the CRS data is linked or matched to a specific taxpayer.

Tax transparency for domestic revenue mobilisation

simple cases of non-compliance (see Box 5), while the intensive exploitation of CRS data in different tax compliance activities can lead to the detection of serious tax evasion cases (see Box 6). The definition of a comprehensive strategy to consolidate the use of CRS data in the tax authority's compliance risk management model is an essential element to maximise the benefits deriving from AEOI (see Box 7).

Although all countries are not yet using the data for tax compliance purposes, the progress made by some countries is inspiring others and sending a positive signal on the possibilities of CRS to enhance a jurisdiction's domestic resources mobilisation efforts. As for the Latin American countries that have not yet committed to a year of first exchanges,² they are receiving and will continue to receive intense support in all the components of the AEOI standard.

2. Dominican Republic, El Salvador, Guatemala, Honduras, and Paraguay.

BOX 5. ARGENTINA: A case on the use of CRS data to identify an undeclared inheritance

The Federal Administration of Public Revenues (*Administración Federal de Ingresos Públicos* – AFIP) of Argentina detects differences between what is declared by the taxpayer and CRS data received through a systemic tool/intelligence module developed internally, which allows for a comparison of massive data.

In cases where a difference is detected between the information received and the tax returns, for an amount that does not trigger a tax audit, a notification is sent to the taxpayers' personal electronic window informing them that the AFIP is aware that they hold financial assets in a foreign jurisdiction and that deviations have been detected in relation to their tax returns. In this way, taxpayers are encouraged to make a voluntary declaration.

In 2023, based on the CRS data received from abroad, the AFIP became aware of an undivided estate that omitted foreign financial accounts in its sworn declaration of personal assets for the tax period 2019-2020.

In view of the circumstances, the case was sent to the operational areas, which proceeded to initiate the investigation and control tasks. The heirs accepted the AFIP's claim and acknowledged ownership of the aforementioned accounts. The adjustment made to the tax on personal assets reached approximately EUR 100 000. Likewise, the income tax of the undivided estate was adjusted to capture the income obtained from the undeclared financial assets.

Source: Federal Administration of Public Revenues of Argentina.



BOX 6. ECUADOR: Using CRS data in tax compliance activities

The Internal Revenue Service (*Servicio de Rentas Internas* – SRI) of Ecuador has developed an IT application that allows the processing of the information received through the AEOI standard.

The tool cleanses the information received through the AEOI standard and compares it with the register of taxpayers, generating a preliminary list of possible matches. For such purposes, text recognition algorithms are applied to allocate a rating according to the degree of matching.

This algorithm allows for an identification matching around 90% of the persons reported under the AEOI standard, enabling the SRI to use the information received for quick controls, issuance of nudge letters, risk analysis and tax audits.

From the controls carried out with the use of CRS data, revenue of more than EUR 14.5 million has been recovered

in 2023. The information from the automatic exchange was also useful in driving the voluntary disclosure programme (VDP) in place in 2022, in which assets of around EUR 1 636 millions were regularized and taxes of approximately EUR 90.9 million were recovered attributable to the effective use of CRS data and the VDP itself.

Source: Internal Revenue Service of Ecuador.





BOX 7. PERU: Consolidating the use of CRS data in the compliance risk management model for the collection of additional revenue

The National Superintendence of Customs and Tax Administration – SUNAT has consolidated the use of CRS data as part of a comprehensive strategy for the detection of tax evasion and the determination of taxpayers' obligations.

SUNAT's strategy relies on the incorporation of EOI into the culture of the tax administration. On the analytical side, the SUNAT places emphasis on the quality of the CRS data received, and until 2023 has increased the data matching rate to around 77%, through the following:

- Improvement of the data matching algorithms developed by SUNAT. These algorithms have matching rules that enable the identification of taxpayers using the relevant identification data (document number, first name, middle name, last name and date of birth) by applying functions such as the standardisation of upper- and lower-case letters, the deletion of excess blank spaces, the standardisation in the use of accents and special characters, among others. SUNAT has also been able to refine matching algorithms based on shared experiences from other countries. A specialised team is in charge of the data matching task.
- Greater knowledge of data based on coordination meetings with local financial institutions as part of the evaluation of the due diligence procedure, which has made it possible to generate more precise rules in the matching algorithms.

Using the matched CRS data, SUNAT is progressively developing different lines of risk-based analysis and research, such as the following:

- The assessment of whether taxpayers have generated foreign source income and whether this has been declared in their Annual Personal Income Tax Returns, comparing the information provided by the jurisdictions and that declared to SUNAT.
- The identification of transactions with foreign companies without substance to shift profits to low-tax jurisdictions, using CbC data to identify related parties and jurisdictions, and CRS data to identify the financial presence of domestic companies in the jurisdictions of companies without substance, the latter as an indication of a higher level of tax risk.

SUNAT is also proactively exploiting synergies between the AEOI and EOIR standards. Until 2023, 55 EOI requests were sent by SUNAT based on CRS data received. In 2023, Peru increased the number of EOI requests based on CRS data from 3 to 52 requests.

Case study on the effective use of CRS data: assessing taxes on undeclared income from overseas investments

CRS data received by SUNAT evidenced that taxpayer X had not declared foreign-sourced income for years N and N+1, and therefore SUNAT launched an audit on the said taxpayer. During the development of the audit, the taxpayer was requested to provide:

- details of bank accounts in domestic and/or foreign financial institutions
- bank statements of the said accounts
- information regarding any offshore transaction detailing the purpose, beneficiary, date, amount and destination country for each transaction.

During the audit, the taxpayer acknowledged the ownership and holding of overseas financial accounts and provided the requested information and documentation about his financial assets. This documentation helped SUNAT validate the information obtained through the CRS regarding the taxpayer's foreign investment portfolios, which were originated from dividends, interest, gross income from reimbursements, and other income.

As a result, the taxpayer submitted amended returns for the Annual Income Tax Return for fiscal years N and N+1. Additionally, the taxpayer voluntarily corrected the tax returns for fiscal years N+2 and N+3. The amended returns including all the foreign-sourced income amounted to EUR 3.3 million.

Source: National Superintendence of Customs and Tax Administration of Peru.





GLOBAL FORUM ON
TRANSPARENCY AND EXCHANGE OF
INFORMATION FOR TAX PURPOSES

16th Global Forum plenary meeting

16^{ème} Réunion plénière du Forum mondial

29 November - 1 December 2023
Lisbon, Portugal

#GFplenary2023



➤ 16th Global Forum plenary meeting, 29 November-1 December 2023, Lisbon, Portugal.

➤ Global Forum Secretariat helps Colombia prepare for EOIR peer review, 2-5 May 2023, Bogota, Colombia.

➤ Women Leaders in Tax Transparency network reception, 30 November 2023, Lisbon, Portugal.

➤ 9th meeting of the Punta del Este Declaration, 28 November 2023, Lisbon, Portugal.





➤ Training on exchange of information under the Punta del Este Declaration Initiative, 20-24 November 2023, Montevideo, Uruguay.



➤ 8th meeting of the Punta del Este Declaration, 27-28 June 2023, Asunción, Paraguay.



A stylized map of Latin America is shown in a dark orange color against a lighter orange background. The map covers the continent from Mexico down to the southern tip of South America. A dotted orange line extends horizontally from the number '3' across the page.

3

Towards maturity in implementing the tax transparency standards in practice

The implementation of the tax transparency standards has progressed continuously in Latin America since 2009. Tax transparency has been a high priority for the members in the region. Through their engagement in the tax transparency work and their participation in capacity-building activities, they are gaining more expertise and knowledge, and building solid EOI networks and infrastructures. These elements provide for the operational framework for Latin American members to fully implement the EOIR and AEOI standards, which is assessed under the Global Forum peer reviews. The results of the last years show that, while progress is sustained, more work are needed to ensure that all countries fully benefit from the tax transparency standards.

LATIN AMERICAN COUNTRIES' ACTIVE CONTRIBUTIONS TO GLOBAL FORUM WORK

The commitment of Latin American countries to the tax transparency agenda translates in their engagement in and contribution to the work of the Global Forum. Their active participation to the decision-making and peer review processes, as well as to the capacity-building activities of the Global Forum, ensures that their views and perspectives are reflected in the decisions,

guarantees the effective implementation of the tax transparency standards, and contributes to develop knowledge and sharing of best practices. During the last five years, Latin American members participated actively in Global Forum's bodies and capacity-building activities, bringing their technical expertise, own experiences, and perspectives. In 2023, Latin American members also engaged in the newly established Crypto-Asset Reporting Framework (CARF) Group (see Table 3).

TABLE 3. Participation of Latin American countries in Global Forum's bodies and capacity-building activities (2019-2023)

Global Forum Sub-group membership		2019-2022	2023
Global Forum Steering Group	The Steering Group is made up of 20 members. It prepares and guides the work of the Global Forum.	Brazil, Chile	Brazil, Colombia
Peer Review Group for Exchange of Information on Request (PRG)	The PRG is made up of 30 members and oversees the Global Forum's peer reviews in relation to the EOIR standard.	Argentina, Colombia, Mexico, Uruguay	Argentina, Brazil, Colombia
Automatic Exchange of Information Peer Review Group (APRG/APRG+)	The APRG is made up of 30 members and oversees the work on peer reviews against the AEOI standard. The APRG+ is an extended formation of the APRG which oversees the peer reviews on confidentiality and data safeguards and includes 3 additional members.	Argentina, Chile, Colombia, Panama, Mexico	Argentina, Brazil, Panama
Crypto-Asset Reporting Framework (CARF) Group	The CARF Group is an open group, which currently comprises 49 members. Following its establishment in September 2023, the first focus of the CARF Group is to build on the Global Forum's commitment and monitoring processes to ensure the widespread implementation of the CARF.	N/A	Argentina, Brazil
Group on Risk	The Group on Risk was established in 2023 to identify and monitor risks to the effective implementation of the standards on transparency and exchange of information for tax purposes, and update biennially the risk register.	N/A	Argentina
Assessors for EOIR peer reviews	The EOIR assessors are responsible for conducting the peer reviews of jurisdictions against the EOIR standard. All members are invited to provide assessors.	Argentina, Brazil, Colombia, Costa Rica, Uruguay	Argentina, Brazil, Costa Rica, Mexico, Panama, Uruguay
Assessors for AEOI peer reviews	The AEOI assessors are responsible for conducting the peer reviews of jurisdictions against the AEOI standard.	N/A	Brazil, Colombia, Panama
Assessors on confidentiality and data safeguards	The assessors on confidentiality are responsible for conducting the assessments on confidentiality and data safeguards.	Argentina, Brazil, Chile, Ecuador, Panama, Uruguay	Argentina, Brazil, Chile, Dominican Republic, Ecuador, Panama, Uruguay
Experts in capacity-building activities	Experts from Global Forum members participate in capacity-building activities carried out, providing expertise and sharing experience.	Argentina, Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru	Argentina, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Paraguay, Peru, Uruguay

Source: Global Forum Secretariat.

Towards maturity in implementing the tax transparency standards in practice

Box 8 illustrates the experience of Brazil, which participates in most Global Forum bodies and working groups and contributes to peer review processes and to capacity-building activities by sharing its experience and expertise.

BOX 8. BRAZIL: The importance of participating in the Global Forum work on tax transparency



Brazil participates actively in Global Forum work and activities. Brazil is a member of all Global Forum subsidiary bodies: the Steering Group, the PRG, and the APRG/APRG+. Brazil has also provided assessors for the peer reviews and supported the Global Forum Secretariat capacity-building efforts, by providing its expertise and sharing its experience.

What is the importance of participating in Global Forum's subsidiary bodies and activities, and how has it helped Brazil advance EOI implementation?

Tax transparency is high on the list of Brazilian Revenue Administration's priorities. Regarding the challenges on this journey, the search for knowledge and implementation of good practices in terms of EOI is constant. Participation in international events, forums and working groups of the OECD and the Global Forum allows Brazil to learn from exchange of experiences with its partners, understand the limitations that are often the same as those faced by other jurisdictions, and solve issues.

The participation in the Steering Group, the PRG, and the APRG/APRG+ allows Brazil to take part in discussions about strategic direction and innovation on topics under the responsibility of the Global Forum. Particularly in the PRG and APRG, Brazil contributes from its experience, but also has the opportunity of learning from debates related to the peer reviews of other jurisdictions. Ultimately, Brazil is better prepared to overcome its own issues when it comes to complying with the Global Forum's EOI standards.

Brazil started its first AEOI exchanges in 2018. In 2023, Brazil committed to implement the CARF by 2027 and joined the recently established CARF Group. Why has Brazil decided to be an early adopter of this new standard and joined the CARF Group? What are the priorities for Brazil on transparency and EOI for its G20 Presidency?

Brazil is truly committed to implementing the CARF because it believes that the EOI related to crypto assets will bring great benefits to tax administrations to fight tax evasion and tax fraud committed in this sector. Brazil has joined the CARF Group to be well prepared to start the exchanges in 2027, as well as to learn from the experiences of other members who participate in the group. An example of the importance of this issue for Brazil is that it has already in place a requirement to report information regarding operations

carried out with crypto assets to the Special Secretariat of the Brazilian Federal Revenue Service since 2019. Brazil also started to spontaneously share some information related to crypto assets with its partners in 2023.

In addition of the work to complete the implementation of the new automatic exchange of information on crypto assets, the Brazilian G20 Presidency is committed to furthering the agenda of transparency, building on the legacy of previous Presidencies, focusing on the exchange of information on beneficial owners and real estate properties:

- **Beneficial owner:** The exchange of beneficial ownership information is critical in combating money laundering and tax evasion. The G20 will focus on possible ways to facilitate access to relevant information regarding beneficial owners, whether through the EOI on request, automatically or through the development of a system that allows the various tax administrations to access information regarding beneficial owners.
- **Real estate:** The Brazilian G20 Presidency will continue the work developed during India's Presidency to improve transparency in real estate properties, through the possible development of a short-term solution by exchanging information that is readily available on the basis of existing international legal and operational gateways for EOI, with the view to long-term structural solutions which could be based on automatic exchange of information or on a more novel direct-access based model.

Source: Secretariat of the Brazilian Federal Revenue Service



A VAST ARRAY OF EXCHANGE OF INFORMATION AGREEMENTS

The powers of a tax authority to access information are limited to the borders of its territory. This limits the ability of tax authorities to obtain the critical information they need to carry out effective tax investigations or audits in a cross-border context. Indeed, where transactions are realised with entities in foreign jurisdictions, revenues are generated in activities carried out abroad or assets are located abroad, a tax authority may not be able to directly access relevant information to have a full picture of the case at stake. Tax co-operation and EOI are fundamental to bridge the information gap in tax administrations. However, EOI requires the existence of an EOI instrument between the jurisdictions. Having an extensive network of EOI relationships is therefore key to ensure that tax auditors access crucial information from any relevant jurisdiction to advance their tax investigations.

The Convention on Mutual Administrative Assistance in Tax Matters (MAAC) is the most powerful and advanced instrument for administrative co-operation between tax authorities. This multilateral instrument is aligned with the international EOI standards. Over the years, the Global Forum Secretariat has provided technical assistance to its Latin American members to participate in the MAAC. This has significantly broadened their administrative co-operation network. By 2023, all Latin American members have signed the MAAC and 14 of them have ratified it and have it in force (See Table 4).

The technical assistance provided to Honduras facilitated the signature of the MAAC in July 2022. Upon ratification of the MAAC by Honduras, all members of the Punta Del Este Declaration will have access to a comprehensive treaty network that fully complies with the EOI standard.

As a multilateral framework, the MAAC has garnered widespread participation, currently with 147 jurisdictions having joined it and 141 of them having it in effect. It presents a broad array of EOI partners for any new signatory. With the participation to the MAAC, bilateral EOI relationships in the region surged to more than 2 000 in force by 2023, reflecting Latin America's robust engagement in global tax transparency efforts (see Figure 12).

TABLE 4. Latin American countries' participation in the MAAC

Jurisdiction	MAAC Status
Argentina	In force since 01/01/2013
Brazil	In force since 01/10/2016
Chile	In force since 01/11/2016
Colombia	In force since 01/07/2014
Costa Rica	In force since 01/08/2013
Dominican Republic	In force since 01/12/2019
Ecuador	In force since 01/12/2019
El Salvador	In force since 01/06/2019
Guatemala	In force since 01/10/2017
Honduras	Signed on 11/07/2022
Mexico	In force since 01/09/2012
Panama	In force since 01/07/2017
Paraguay	In force since 01/11/2021
Peru	In force since 01/09/2018
Uruguay	In force since 01/12/2016

Note: The table includes only countries that are members of the Punta del Este Declaration.

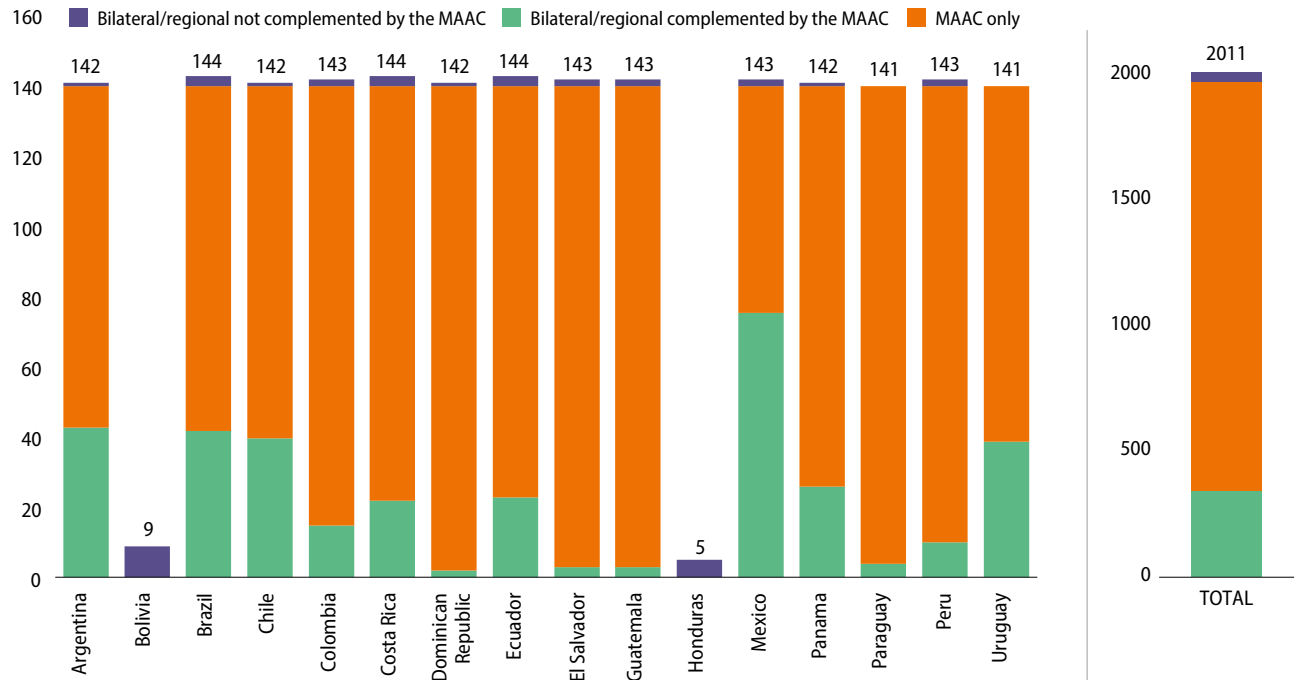
Source: Global Forum Secretariat.

By 2023, Latin American countries had solidified their commitment to tax co-operation by establishing a vast array of EOI agreements that expanded their EOI network. Thanks to the MAAC, their EOI reach has increased more than five-fold compared to their network established through Double Taxation Conventions (DTCs), Tax Information Exchange Agreements (TIEAs) or regional agreements. Currently, the bilateral and regional agreements in force in the region exceed 380 agreements in force (see Figure 13).

Negotiating and finalising these bilateral or regional agreements can demand considerable time and resources. By participating in the MAAC, jurisdictions not only extend rapidly their EOI network, but also guarantee a legal basis for EOI in line with the standard including with jurisdictions with which they may have already an EOI bilateral relationship but not fully aligned with the EOI standard (see Figure 14).

Towards maturity in implementing the tax transparency standards in practice

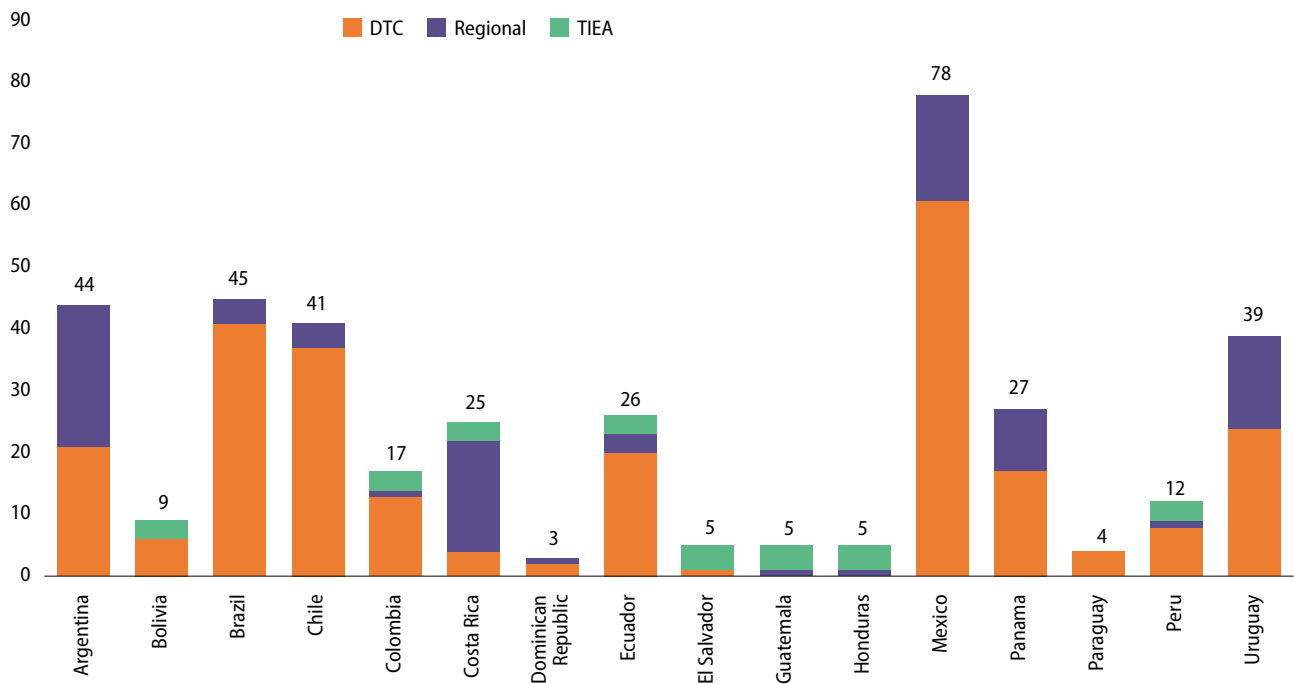
FIGURE 12. Latin American countries' exchange of information relationships in force



Note: Honduras has signed the MAAC but its ratification is pending. The figure includes only countries that are members or observers of the Punta del Este Declaration.

Source: Global Forum Secretariat

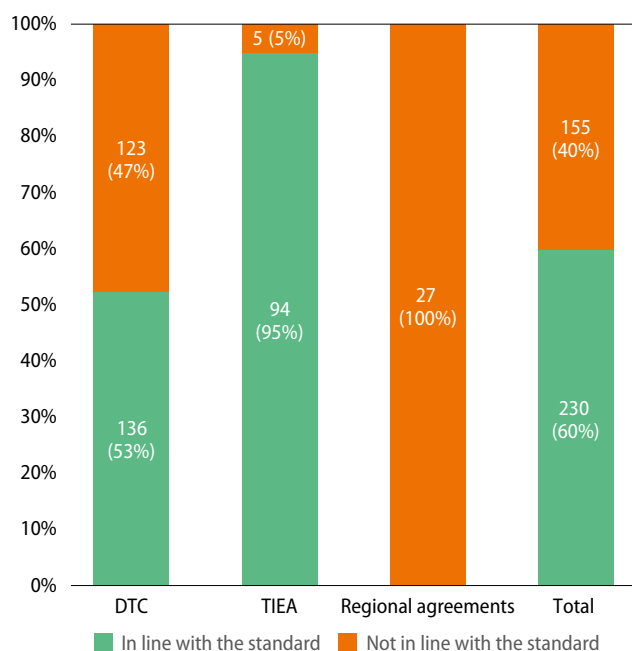
FIGURE 13. Latin American countries' bilateral and regional EOI relationships, by type



Note: The regional agreements comprise the Andean Community Decision 578 and the Agreement on Mutual Assistance Cooperation between Tax and Customs Administrations of Central America. The figure includes only countries that are members or observers of the Punta del Este Declaration.

Source: Global Forum Secretariat

FIGURE 14. Percentage of Latin American countries' agreements meeting the standard (by type)



Notes:

1. The labels show the number of agreements in line or not with the standard and the corresponding percentage in brackets.
2. The regional agreements comprise the Andean Community Decision 578 and the Agreement on Mutual Assistance Cooperation between Tax and Customs Administrations of Central America.

Source: Global Forum Secretariat

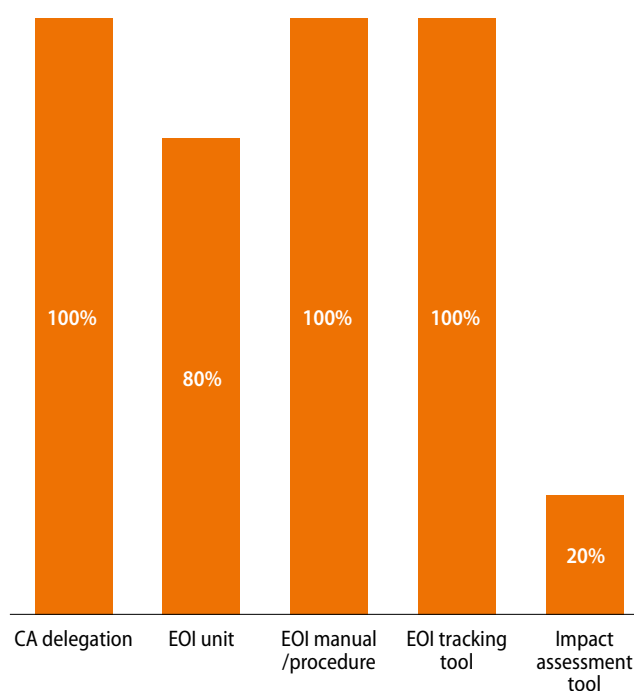
SOLID INFRASTRUCTURES FOR EXCHANGE OF INFORMATION

Reflecting on the fifth anniversary of the Punta del Este Declaration, significant strides have been observed in the operationalisation of EOI across Latin America. The importance of a functional EOI infrastructure within tax authorities to ensure timely, high-quality, and efficient EOI processes to achieve a full implementation in practice of the EOI standards has been underlined in the last years. This comprehensive system requires a well-resourced EOI unit, with adequately trained personnel, secure offices, and established procedures.

Throughout the past five years, a nearly unanimous establishment of competent authority (CA) delegations and EOI units within tax authorities have been seen. These units are equipped with necessary tools and increasingly knowledgeable staff to handle EOI effectively and have strengthened their communication channels with the audit function.

While most Latin American members have successfully implemented EOI tracking tools, a small number of jurisdictions could benefit from improving their monitoring capabilities to enhance their EOI activity and performance, mitigating potential delays in responding to or following up on requests. In addition, most Latin American members do not monitor the revenue or domestic revenue mobilisation (DRM) identified as a result of EOI, which compromises the dissemination of its positive results (see Figure 15). Also, Latin American members have started to engage with other local authorities for EOI purposes and formalise these relationships by concluding memoranda of understanding (MoU) that define co-operation between them. For instance, these MoUs can (i) facilitate the practical implementation of the access powers of the CA to accelerate the provision of the required information to its EOI partners, (ii) strengthen the supervision of the effective compliance of information holders with their legal obligations (e.g. the compliance of financial institution with their CRS due diligence, reporting and record-keeping obligations) or (iii) maximise the use of the data obtained from EOI partners (e.g. facilitating access to non-tax databases for CRS data matching).

FIGURE 15. EOI infrastructure and tools in place

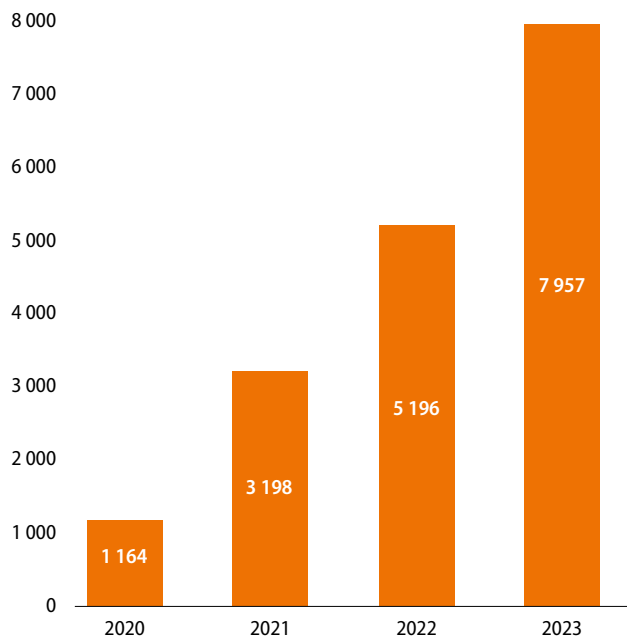


Note: Responses from 15 Latin American members. The labels show the percentage of countries from Latin America.

Source: 2024 Tax Transparency in Latin America Survey

Towards maturity in implementing the tax transparency standards in practice

FIGURE 16. Cumulative number of staff trained in EOI, 2020-2023



Note: Responses from 15 Latin American members. The figure is presenting cumulative numbers of EOI staff trained from 2020 to 2023.

Source: 2024 Tax Transparency in Latin America Survey

There has been a consistent year-on-year increase in the number of EOI-trained staff in the region (see Figure 16). This represents an increase of capacity in Latin American members, which enhances their ability to fully and effectively implement the EOI standards. Starting from 1 164 trained staff in 2020, there is a clear upward trend in the numbers, reaching 7 957 officials in 2023.

The development of EOI skills and knowledge has been further supported by various tools and programmes offered by the Global Forum:

- The Knowledge Sharing Platform¹ (KSP) has seen widespread use. All Latin American members report having used this platform and its e-learning courses and recorded trainings as an avenue to facilitate learning of EOI standards to local staff.
- A substantial majority of Latin American members have participated in the Train the Trainer Programme: 14 countries participated in at least one of its

different editions. This programme provided for the establishment of a network of trained staff in the region and their ability to spread the acquired EOI knowledge locally.

- Toolkits and other resources are also widely utilised in the region, and 93% of Latin American countries report to have used them to develop local skills and knowledge of EOI staff.

Investing in EOI capacity-building has been a pivotal part of the Global Forum Secretariat's technical assistance programme, empowering Latin American members to comply with the tax transparency standards and leverage this infrastructure to secure vital information for tax operations. Latin American countries must persist in their capacity-building endeavours and further strengthen their EOI infrastructure and assessment tools to measure EOI benefits. This is crucial not only for the continuous improvement of the EOI process, but also to demonstrate the value of EOI to policymakers, ensuring ongoing political support and investment in tax transparency.

PROGRESS IN THE EFFECTIVE IMPLEMENTATION OF THE TAX TRANSPARENCY STANDARDS

The implementation of the tax transparency standards by Latin American members has progressed in the last years, with the systems for EOIR being relatively more mature than those for AEOI, given the longer time the EOIR standard has been in implementation. This progress has been accompanied by challenges that are being addressed by countries, including on the availability of beneficial ownership information and the compliance with other AEOI requirements, which has benefited from the support of the Global Forum Secretariat and the partners.

Achieving compliance with the standard for exchange of information on request

All Global Forum members are committed to implement the EOIR standard and are peer-reviewed to assess whether their legal and regulatory framework and its implementation in practice meet the standard.

1. The Knowledge Sharing Platform for Tax Administrations (KSPTA), a global online resource for sharing tax knowledge and expertise developed by the Canada Revenue Agency, to help manage learning events and foster digital collaboration with our members. Available at: ksp-ta.org.

The first Latin American members of the Global Forum were reviewed under the first round of reviews and against the initial EOIR Terms of Reference adopted in 2010. The second round of reviews of the EOIR standard started in 2016 and is based on the 2016 Terms of Reference, which introduced the availability of beneficial ownership information as a requirement. The availability of this information is key for tax transparency and is assessed under Element A.1 of the 2016 Terms of Reference.

Most Latin American members have been peer-reviewed under this second round, either under a phase 1 review limited to the legal and regulatory framework, or a combined full review of the legal and regulatory framework and its implementation in practice.

Under the first round of reviews, 11 Latin American countries were fully assessed with a rating on their level of compliance with the EOIR standard. With respect to the second round of reviews, 14 Latin American countries have been fully reviewed and, out of them, 11 underwent a full review with the assignment of a rating, including Nicaragua, a non-Global Forum member which were considered in 2022 a jurisdiction of relevance.² Three other Latin American members had their legal and regulatory framework assessed, and will be subject to a review on the effective implementation of this framework at a later stage. Finally, two Latin American members have yet to undergo a full review (Colombia) or a phase 1 review (Honduras) (see Table 5).

TABLE 5. Results of EOIR peer reviews for Latin American countries

Country	Round 1 rating	Round 2 status/overall rating	Round 2 – Element A.1 rating
Argentina	Largely Compliant (2012)	Compliant (2023)	Largely Compliant
Brazil	Largely Compliant (2013)	Largely Compliant (2018)	Largely Compliant
Chile	Largely Compliant (2014)	Largely Compliant (2020)	Partially Compliant
Colombia	Compliant (2015)	Combined review launched in Q3 2023	-
Costa Rica	Provisionally Largely Compliant (2017)	Largely Compliant (2019)	Partially Compliant
Dominican Republic	Provisionally Largely Compliant (2017)	Largely Compliant (2019)	Largely Compliant
Ecuador	Not reviewed	Phase 1 review only (Phase 2 launched in Q2 2023)	-
El Salvador	Largely Compliant (2016)	Phase 1 review only (Phase 2 scheduled in Q1 2025)	-
Guatemala	Provisionally Largely Compliant (2017)	Non-Compliant (2019)	Non-Compliant
Honduras	Not reviewed	Phase 1 review launched in Q4 2023	-
Mexico	Compliant (2014)	Largely Compliant (2023)	Largely Compliant
Nicaragua	Not reviewed	Non-Compliant (2023)	Partially Compliant
Panama	Provisionally Largely Compliant (2017)	Partially Compliant (2019)	Partially Compliant
Paraguay	Not reviewed	Phase 1 review only (Phase 2 scheduled in Q2 2026)	-
Peru	Phase 1 review only (2016)	Largely Compliant (2020)	Partially Compliant
Uruguay	Largely Compliant (2015)	Largely Compliant (2020)	Largely Compliant

Note: Following calls in April 2016 by the G20 Finance leaders to establish objective criteria and a list of jurisdictions which have not made satisfactory progress in implementing the international tax transparency standards, a special fast-track review procedure was approved. This procedure was implemented between April and June 2017 as part of the first round of assessments. Several jurisdictions were able to demonstrate progress in the implementation of the EOIR standard and were granted a provisional upgrade to their ratings. <https://www.oecd.org/tax/transparency/documents/fast-track-review-procedure-frequently-asked-questions.pdf>.

Source: Global Forum Secretariat (see the schedule of reviews at <https://www.oecd.org/tax/transparency/documents/schedule-of-reviews.pdf> and the table of ratings at <https://www.oecd.org/tax/transparency/documents/exchange-of-information-on-request-ratings.htm>).

2. Nicaragua was identified in 2020 as a jurisdiction of relevance for the work of the Global Forum and was invited to join as a member. Given that Nicaragua did not join the Global Forum, it was peer-reviewed as a non-Global Forum member.

Towards maturity in implementing the tax transparency standards in practice

Despite the strengthening of the Terms of Reference, there is a general improvement compared to the first round of reviews. Most Latin American countries are achieving a satisfactory level of compliance with the EOIR standard: one country was rated overall Compliant and seven were rated overall Largely Compliant.

On the other hand, three Latin American members had their overall ratings downgraded with respect to the first round of reviews. The main reason of the deterioration in overall ratings is that countries show some deficiencies in the implementation of beneficial ownership requirements, which is a relatively new standard and of complex implementation. Even some countries that have performed well overall have had mixed results in the implementation

of beneficial ownership requirements, although they improved on the availability of accounting information, banking information or access powers for instance. The implementation of adequate beneficial ownership frameworks represents a challenge to most Latin American members. The EOIR peer review encourages the implementation and improvement of the beneficial ownership framework (see Box 9, Box 10 and Box 11).

Ensuring the availability of and access to the identity of the beneficial owners of legal persons and arrangements as well as financial accounts and other assets is fundamental to prevent the misuse of these entities, the concealment of funds/assets and anonymity, and then to combat tax evasion and other IFFs.

BOX 9. MEXICO: Learning from the EOIR peer review process to enhance beneficial ownership frameworks



México's EOIR peer review process, which concluded with the adoption of the report by the Global Forum in 2023, was an enriching and fruitful experience for Mexico, as we had the opportunity to identify areas for improvement in the implementation of the EOIR standard, including recommendations that cover legal aspects, the regulatory framework and the implementation in practice of the standard, which is important for our country because international information exchange has become a key tool to promote taxpayer compliance in an increasingly globalised financial system.

One of the most important lessons learned as a result of the peer review was related to beneficial ownership, as it helped us understand in a clear and comprehensive way the approach

to take, identifying the differences between the standard and our legal framework, the need to supervise some procedures and the importance of training all personnel involved in EOI on the legal provisions on the matter, in order to have information on beneficial ownership and thus, exchange more accurate information.

The peer review report concluded that Mexico was overall "Largely Compliant" with the EOIR standard, which motivates us to improve, so we will set clear objectives and goals, focused on addressing the recommendations and problems identified, as we are sure that it will help us implement best practices in international information exchange to comply with the EOIR standard.

Source: Tax Administration Service of Mexico.

BOX 10. PARAGUAY: Working towards a successful review against the EOIR standard



Our experience during the review process was very rewarding given the results obtained in the evaluation of the legal and regulatory framework of the Republic of Paraguay for the exchange of information for tax purposes on request (Phase 1 review). We are working with the different institutions on the recommendations issued in the Phase 1 assessment report, with the firm commitment of Paraguay to continue with the work and progress demonstrated.

The preparatory work had strong technical support from the member institutions of the Inter-Institutional Committee

created through a Presidential Decree for this purpose. We would like to give special emphasis to the technical assistance received from the Global Forum Secretariat and its capacity-building unit. This technical support has a positive impact on our preparation for the second-round Phase 2 assessment, for which we are carrying out concrete actions as Tax Administration in order to meet the requirements established by the international standards in this area.

Source: National Directorate of Tax Revenues of Paraguay.

BOX 11. ECUADOR: EOIR peer reviews as an opportunity to improve tax transparency



The peer review process has been an opportunity for Ecuador and the Internal Revenue Service (SRI) to improve, as it has resulted in a diagnosis of the regulatory framework and its implementation in practice, in the areas of corporate, tax, banking, beneficial ownership, money laundering, among others, and consequently, to adopt remedial measures to address the observations and recommendations contained in the phase 1 peer review report issued in 2022, in order to effectively and adequately complete the phase 2 review, which has been underway since June 2023. Ecuador is currently working in reviewing the draft report prepared by the assessment team of the Global Forum.

Furthermore, another advantage of the peer review is undoubtedly the learning acquired and the strengthening of co-operation ties between the different domestic institutions involved in the process, resulting in a coordinated and joint work to face the challenges posed by this process. Among

the most relevant actions is the issuance of secondary regulations, with the technical contribution of each institution within the scope of its competences. During the preparation for the combined review, the Global Forum Secretariat also provided valuable technical assistance in the review of the secondary regulation issued and based on its recommendations, any reforms were proposed to bring local regulations closer to the international standard.

The regulation issued in relation to the obligation to submit information on legal and beneficial ownership to the SRI introduced definitions such as effective control, criteria for identifying beneficial owners, obligations, sanctions, confidentiality of information and deadlines for the implementation of the central register, which is scheduled for the end of 2024.

Source : Internal Revenue Service of Ecuador.

Countries have mainly four options for ensuring the availability of beneficial ownership information: (i) the framework for anti-money laundering and countering the financing of terrorism (AML approach), (ii) beneficial ownership information kept by the entities themselves (entity approach), (iii) a central register of beneficial owners (central register approach), and (iv) beneficial ownership information held by the tax authority (tax authority approach). A multi-pronged approach comprises two or more of these four options.

Most Latin American countries (11 countries) use a multi-pronged approach for the availability of beneficial ownership information, while four Latin American countries rely only on one approach (the AML approach). A multi-pronged approach, combined with adequate supervision and implementation, have proven to deliver better results, compared to countries that only use one approach. This is because a beneficial ownership system that draws on a variety of sources and approaches has proven more effective as the several sources complement each other, addressing as far as possible gaps in the frameworks, and ensuring an adequate coverage of beneficial ownership obligations for all relevant entities. In Latin America, countries are in different stages of setting up beneficial ownership frameworks. Some countries are in early stages and in the process of defining and passing legal and regulatory frameworks, while others are in the implementation,

supervision, and enforcement phase. Latin American countries report facing challenges in several fronts and are taking measures to address them.

On the **regulatory front**, a common challenge for countries that are in the early stages of beneficial ownership reforms is the need to raise awareness among relevant stakeholders on the importance of the transparency of beneficial ownership information. As part of their reform efforts, some countries have engaged in communication campaigns with relevant stakeholders to disseminate the benefits of tax transparency, including on beneficial ownership. Other countries face the issue of harmonising the requirements on beneficial ownership across different legislations (e.g. AML laws, company laws, etc.), so that the information collected is consistent regardless of the entity or person that collects and reports the information (e.g. AML obliged persons, legal persons, legal arrangements). To address this latter issue some countries have created committees for inter-agency co-ordination (see Box 12).

On the **technological front**, countries that are implementing beneficial ownership registers face the challenge of setting up an effective technological platform that holds the beneficial ownership data, streamlines the reporting process and guarantees the confidentiality of the information.

BOX 12. COSTA RICA: A comprehensive strategy to ensure the harmonisation of beneficial ownership implementation



Costa Rica created in 2016, through Law No. 9416, the Register of Transparency and Beneficial Ownership (RTBF), handled by the Central Bank of Costa Rica (BCCR) and supervised by the Directorate General of Taxation (DGT) of the Ministry of Finance. Costa Rica also relies on obligations under the AML law as an alternative source of beneficial ownership information. The AML authority is the Costa Rican Institute on Drugs.

For Costa Rica, centralising information in a single register facilitates access to updated data for both information exchange and internal use, eliminating the need for multiple repositories. Costa Rica has taken a series of actions to enhance the coordination of beneficial ownership regulations, strengthen the technological platform that holds the RTBF, improve compliance with the reporting obligations, and educate obliged entities.

Interinstitutional Committee on Beneficial Ownership

Costa Rica created in 2019 an Interinstitutional Committee comprised of the BCCR, the Ministry of Finance, and the Costa Rican Institute on Drugs. This Committee is tasked with coordinating administrative and technical actions in the beneficial ownership framework, including the drafting and analysis of regulations, joint resolutions, guidance, press releases, and notices to obliged entities. Additionally, it plays a pivotal role in decision-making processes related to the reporting obligations and the enhancement of the technological platform that holds the beneficial ownership data. Thus far, the Committee's efforts have been successful and have proved to be instrumental in the efficacy of the RTBF. The recent Decree No. 44390-H, which introduces new regulations for the RTBF, was produced by the Committee and a more robust implementation of Law No. 9416 is anticipated.

Currently, the Committee is in the process of preparing a new joint resolution aimed at streamlining information reporting to the RTBF for all obliged entities in accordance with the provisions outlined in the new regulations.

Technological platform

The RTBF is held in a technological platform handled by the BCCR. Several security protocols are in place to safeguard the confidentiality of the information. The platform's enhanced traceability of information enables a more precise identification of beneficial owners across various layers of reporting entities. This information is accessible to officials from the DGT and the Costa Rican Institute on Drugs.

The Committee is now tasked with updating and enhancing the technological platform to align it with the new regulations set up by Decree No. 44390-H, including to facilitate efficient filing

of information by obliged entities. This is crucial given the diverse categories of obliged legal persons and legal arrangements, each with unique compliance obligations.

Compliance plan, and educational and awareness raising activities

The DGT has designed a supervision plan targeted at entities obligated to report to the RTBF. This plan encompasses both preventive measures before the filing of returns and verification activities to ensure timely filing. Sanctions are applied in case of non-compliance.

Through various initiatives targeting obliged entities and the public, the DGT, via the Directorate of Taxpayer Service, conducts periodic discussions, presentations, and information campaigns on beneficial ownership obligations using virtual platforms and social media channels of the Ministry of Finance. These awareness-raising activities cover regulatory issues and specific aspects of the reporting process. Additionally, the Ministry of Finance website features a dedicated section on the RTBF, along with a link to the filing platform. These activities are integrated into the annual and ongoing Tax Compliance Improvement Plan. In 2023, four virtual discussions were conducted with over 6 000 participants. Additionally, four informative notices were published on the reporting to the RTBF, and an information campaign was launched regarding the filing deadline, with the distribution of 126 523 emails to obliged entities.

The DGT has also initiated a plan to educate stakeholders on the regulatory changes introduced by Decree No. 44390-H. Additionally, open channels of consultation have been established to address queries from obliged entities, with updated information available on the Ministry of Finance website. Recognising the importance of bridging the digital divide, the establishment of tax kiosks is being considered to provide access to computing equipment for those obligated to file returns. Furthermore, the DGT is exploring the implementation of accessibility features for blind individuals on the RTBF platform.

The actions described above facilitate the establishment of effective legal and operational mechanisms to ensure the availability of beneficial ownership information. The primary objective is to enhance tax transparency and enable Costa Rica to uphold its international commitments concerning the exchange of information relevant for tax purposes. This includes combating tax fraud, money laundering, the financing of terrorism, and other illicit activities.

Source: Directorate General of Taxation of Costa Rica.

In the **supervision and enforcement front**, countries that are in the implementation stage identify as a major issue how to define strategies to enforce compliance with beneficial ownership obligations, to identify omissions, fraud, and inconsistencies, to ensure the accuracy of the beneficial ownership information declared. Some countries are tackling this issue by extending their current tax compliance frameworks to beneficial ownership obligations. Another important challenge in this domain is how to ensure adequate

operational capacity with the allocation of appropriate human and material resources, to maintain effective and sustainable supervision in time. Further, beneficial ownership identification and reporting is a relatively new obligation for legal persons and legal arrangements, so the undertaking of educational activities to facilitate the understanding of obligations is an important challenge for law enforcement authorities (see Box 12 and Box 13).

BOX 13. PERU: A strategy to improve compliance with beneficial ownership obligations



Peru has a central register of beneficial owners that is managed by the tax administration – SUNAT. One of the main challenges for SUNAT has been the definition, implementation and consolidation of a strategy for monitoring, supervising and improving entities' compliance with the obligation to identify and report beneficial owners. Today, SUNAT has a compliance improvement strategy based on risk management.

SUNAT has developed risk assessment matrices based on the behaviour of obliged entities with respect to their tax and customs obligations, as well as with respect to their link to other aspects of non-solvency or transparency (indicators of indebtedness, non-substantiality, etc.). These matrices allow to differentiate the targeting of actions, assigning guidance to those with positive records and more intensive actions for those with precedents of tax non-compliance or with possible links to aspects contrary to transparency and/or the exercise of licit activities. The identification of precedents is carried out based on the information available at SUNAT, which corresponds to the information declared by the taxpayer itself, by third parties or by public and private entities.

For low risk obliged entities, SUNAT has created spaces for dissemination and discussion with business associations and public entities on the obligation of submitting beneficial ownership declaration. SUNAT has developed a special environment on its website where information is presented in a didactic manner, with a section on frequently asked questions. Likewise, SUNAT publishes information in its different social networks to promote voluntary compliance especially before the due date; and adopts inductive actions to those obliged parties that do not file the declaration for the first time or whose information needs to be updated.

For higher risk groups, sanctions are applied directly through comprehensive checks for infringements, such as late submission of the declaration, failure to carry out due diligence for the identification of beneficial owners, and/or failure to keep supporting documents.

Finally, as a structural solution, SUNAT is working to streamline the process of reporting beneficial ownership information

by improving the tax return form according to the size of the taxpayer. This declaration will have a simplified version in the case of smaller and less complex entities, and a complete version for the rest of the taxpayers, for which SUNAT is developing a second version of the Virtual Form No. 3800.

Source: National Superintendence of Customs and Tax Administration of Peru.



9th meeting of the Punta del Este Declaration, 28 November 2023, Lisbon, Portugal.

BOX 14. DOMINICAN REPUBLIC: Strategies to increase beneficial ownership reporting compliance



The Dominican Republic has undertaken several measures to maintain the highest standards of compliance in matters of transparency, following commitments assumed by the Dominican Republic before the OECD, the country enacted Law No. 155-17, by means of which, the definition of beneficial owner was incorporated, and with it, the mechanisms to empower the Tax Administration to have updated information regarding them.

In this sense, Article 104 of the mentioned Law No. 155-17 modifies Article 50 of the Dominican Tax Code and establishes an obligation to have updated information of their beneficial owners for any resident legal person or entity without legal personality, as well as for non-resident, in the cases indicated in the same article through their registration in the National Registry of Taxpayers (RNC) and the relevant special registries.

For such purposes, the General Directorate of Internal Taxes (DGII) created new annexes to the Income Tax Return (ISR) to oblige taxpayers to identify the beneficial owner when registering or updating data in the RNC, and at the time of filing such return.

The DGII has also continued with the capture of beneficial owner information through the registration and update forms to the taxpayer registry, together with the information captured in the tax returns. In 2023 alone, the beneficial ownership information of 30 279 legal entities was updated through these forms, and 23 249 new commercial companies were incorporated with their respective beneficial ownership registration.

Currently, the lack of updated beneficial ownership information is considered in the Dominican Republic as a factor within the taxpayer's risk rating profile and tax scoring, together with other variables. This qualification is used to execute different control and inspection actions on the taxpayers. Likewise, to make changes in the data of commercial companies before the Tax Administration, it is mandatory to present or update the beneficial owner.

On the other hand, the DGII and the Federation of Chambers of Commerce in the Dominican Republic (FEDOCAMARAS), signed an "Administrative Cooperation Agreement", through which the Commercial Registry grants access to the DGII to its database, to identify those companies that have obtained their Commercial Registry certificate but have not registered before the DGII. Subsequently, the information has been used to share the data related to the registration or modification of the beneficial owner data of the companies registered before one of the institutions.

This measure strengthens the country's capacity to control the information of the beneficial owner of legal entities and allows the Tax Administration to have the most updated information in all cases.

Likewise, the project "Support for the Generation of Knowledge for the Transparency and Integrity Agenda in the Dominican Republic" is under development, in which a diagnosis of the legal, regulatory, institutional, and technological framework has been initiated with a view to strengthening the Registry of Beneficial Owners in the country.

Source: Ministry of Finance of the Dominican Republic.

On the road to compliance with the standard of automatic exchange of financial account information

All members of the Global Forum are committed to implement the AEOI standard, but developing countries that do not host a financial centre were not required to start AEOI by a defined date in recognition of their unique challenges and the lower risk they pose to the level playing field. These countries can implement the AEOI standard under a practical timeline adequate to their circumstances and with the technical support of the Global Forum Secretariat.

Since the start of AEOI in 2017 until 2023, ten Latin American Global Forum members have exchanged

financial account information automatically and on a reciprocal basis (see Figure 17). These countries are subject to the Global Forum's monitoring and peer review process to ensure the effective implementation of the AEOI standard. Though its comprehensive technical assistance programme, the Global Forum Secretariat is providing technical support to the other members not yet engaged in AEOI so that they could benefit soon from this form of co-operation.

During the 2020-2021 period, countries implementing AEOI underwent reviews of their legal frameworks. Then, a first round of reviews on the effective implementation of AEOI in practice was carried out in 2021-2022.³ Considering its relatively recent start, the

3. The peer reviews of the AEOI standard are available at <https://www.oecd.org/tax/transparency/documents/key-publications-and-documents.htm>.

FIGURE 17. Timeline of Latin American countries' participation in AEOI



Source: Global Forum Secretariat

implementation of the AEOI standard has not achieved the same level of maturity as the EOIR standard across Global Forum members, including in Latin America. Most Latin American countries implementing the AEOI standard are in the process of fully establishing a compliance framework that ensures that financial institutions comply with their due diligence, reporting and record-keeping obligations (see Table 6). With the completion of the first peer reviews on the effectiveness of the implementation of the AEOI standard for the first 99 AEOI committed jurisdictions, the Global Forum is conducting a second round of AEOI in-depth effectiveness reviews, which results are due to be published in 2025.

One of the most significant challenges for AEOI, common to many Global Forum members, has been to put in place a comprehensive and effective operational plan to ensure financial institutions' compliance with their CRS obligations. Implementing jurisdictions are

on the upward part of the learning curve and gaining experience on supervision and compliance to ensure the information reported is complete and accurate. Lessons learned and good practices from the peer review are also emerging. Accordingly, the Global Forum Secretariat is providing support and has developed a Model Administrative Compliance Strategy, organised knowledge-sharing events and released additional tools to support its technical assistance programme. It is therefore expected that these issues will be successfully addressed in the near and medium term.

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Since the start of AEOI in 2017 until 2023, ten Latin American Global Forum members have exchanged financial account information automatically and on a reciprocal basis


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TABLE 6. Results of AEOI initial peer reviews for Latin American countries

Country	Determination	Rating
Argentina	In Place But Needs Improvement	Partially Compliant
Brazil	In Place	On Track
Chile	In Place But Needs Improvement	Non-Compliant
Colombia	In Place	On Track
Costa Rica	Not In Place	Non-Compliant
Ecuador	Not In Place	Not yet reviewed – Scheduled for 2025
Mexico	In Place	Partially Compliant
Panama	In Place But Needs Improvement	Non-Compliant
Peru	In Place But Needs Improvement	Not yet reviewed – Scheduled for 2024
Uruguay	In Place	On Track

Note: The structure of the determinations on the legal framework is as follows, ranked in decreasing quality: In Place, In Place But Needs Improvement and Not In Place. The structure of the ratings for effective implementation in the first round of reviews is as follows, in decreasing quality: On Track, Partially Compliant and Non-Compliant.

Source: AEOI peer reviews (determinations and rating available at <https://doi.org/10.1787/5c9f58ae-en>).



Making a difference in tax transparency in Latin America through capacity building

4

The developments in capacity building in Latin America during 2019-2023 focused on four main pillars:

- deployment of a comprehensive programme that hinges on bilateral assistance, workshops and seminars, and the development of knowledge products and tools
- the launch of novel programmes for sustainability and gender balance
- the development of work plans to steer the capacity-building work according to regional priorities
- the growing partnerships to support Latin American members.

This technical assistance strategy, together with the commitment of members, is enabling the region to make a difference in tax transparency.

A COMPREHENSIVE CAPACITY-BUILDING PROGRAMME

The Global Forum Secretariat's capacity-building and outreach programme has evolved since its launch in 2011 to offer a more comprehensive assistance to Global Forum members but also to non-members seeking to join the tax transparency agenda. The demand for technical assistance from Latin American members has been high during the last years, in preparation for and to address recommendations from EOIR peer reviews, in implementing AEOI and the effective use of CRS data, and in improving information security management. The capacity-building programme is delivered in the form of bilateral technical assistance, workshops and seminars, and the development of knowledge tools.

Bilateral technical assistance

The bilateral technical support to Latin American members is provided in the form of long-term Induction Programmes for countries that joined the Global Forum after 2015, and as tailored assistance in response to specific needs of other member countries. Pre-membership support has also been provided to countries interested in joining the Global Forum.

Delivering on the implementation of the standard of exchange of information on request

The Global Forum Secretariat assists Latin American members to deliver on the implementation of the EOIR standard, to ensure the availability, access and exchange of ownership, accounting and banking information. The technical assistance for the

implementation of beneficial ownership frameworks continues to be in great demand, to enhance existing systems (such as the AML framework) or to create new beneficial ownership regimes, particularly under the central register and the entity approaches. Latin American members with upcoming peer reviews received intensive assistance in the form of detailed gap analyses of their legal and operational frameworks with recommendations and support to strengthen the transparency of their current regimes and ensure their competent authorities can access and exchange information in a timely manner. Latin American members also received support for the signature and ratification of the MAAC (see Table 7).

This capacity-building work has translated positively in countries tabling and passing legislation on EOIR and beneficial ownership, strengthening their EOI units, and participating to the MAAC. In 2023, four Latin America countries improved their legal frameworks with respect to beneficial ownership. Doing so, Latin American members were better prepared to ensure the availability and access to beneficial ownership information and undergo their EOIR peer reviews. For instance, in 2023 three Latin American members successfully passed their peer reviews: Paraguay underwent Phase 1 review concluding that its legal and regulatory framework was generally in place although some improvements were needed (see Box 10); and the combined review of Argentina and Mexico (see Box 9) concluded with a rating of Compliant and Largely Compliant respectively.

TABLE 7. Technical assistance to Latin American countries on exchange of information on request

Technical assistance topic	Number of countries			
	2020	2021	2022	2023
EOIR legal framework	8	5	6	6
EOIR implementation	6	2	2	1
EOI unit	4	–	–	1
Beneficial ownership legal framework	6	4	6	7
Beneficial ownership implementation	4	1	2	2
MAAC assistance	1	2	–	1

Source: Global Forum Secretariat

Making a difference in tax transparency in Latin America through capacity building

Box 15 illustrates the experience of Colombia in, with technical assistance from the Global Forum Secretariat, preparing for its second round EOIR assessment.

BOX 15. COLOMBIA: Technical assistance to prepare for the peer review on transparency and exchange of information on request



Colombia was rated “Compliant” in the first round of peer reviews of EOIR standard, conducted in 2015. However, the rapid evolution of the exchange of information upon request requires keeping our internal procedures up to date, implementing international experiences and good practices. Therefore, having the opportunity to have our processes reviewed by experts from the Global Forum Secretariat gave us access to their experience on the field, including from other member jurisdictions, and allowed our teams to better prepare for the second-round assessment, which is currently underway.

On May 2023, the Global Forum Secretariat conducted a mock on-site visit in Bogota, Colombia, to discuss the progress made and remaining challenges in EOIR, as well as to prepare stakeholders for the second-round peer review process. During the on-site simulation, several meetings were organised with government representatives, including different units of the tax administration, other government entities and the private sector, who actively participated in the

meeting. The mock on-site visit allowed for active interaction with the Global Forum Secretariat’s experts, the opportunity to review our legal framework, internal procedures and getting a general understanding of the implementation of the EOIR, giving us an understanding of what the actual review would be like. The technical assistance helped identify the most relevant elements of the assessment and the importance of the co-operation amongst the different entities involved in EOIR. Overall, it helped Colombia be better prepared for the second-round assessment and, more importantly, to improve EOIR implementation.

The main improvements that were introduced as a result of the assistance were a mechanism allowing the tax administration to deal with inactive companies and the enhancement of internal procedures regulating certain aspects of EOIR, including the confidentiality framework.

Source: Directorate of National Taxes and Customs of Colombia.

Boosting the assistance for the implementation of the standard of automatic exchange of financial account information

The Global Forum Secretariat has continued the implementation of its 2021 Strategy for unleashing the potential of automatic exchange of information for developing countries.¹ The Strategy is based on a staged and multi-faceted approach covering all the areas necessary for the implementation of the AEOI standard. It has led to positive results in Latin America and in other regions.²

Latin American members have been supported at the different stages of AEOI implementation. They have received technical assistance for establishing appropriate information security management

frameworks, which allowed them to successfully pass their confidentiality and data safeguards assessments, a crucial requirement to be able to start CRS exchanges. In addition, technical assistance was provided to ensure that their legal frameworks are consistent with the AEOI standard.

Following the first automatic exchanges, technical assistance needs emerged. The Global Forum Secretariat has therefore boosted its technical assistance offer and has been providing support in the various areas required for AEOI implementation. For instance, in 2023, six Latin American members exchanging CRS data reciprocally received assistance in at least one of the main components of the implementation of the standard (see Table 8).

1. Global Forum (2021), Unleashing the potential of automatic exchange of information for developing countries, 2021 Strategy, available at <https://www.oecd.org/tax/transparency/documents/aeoi-strategy-developing-countries.pdf>.

2. In 2023, at the request of the Indian G20 Presidency, the Global Forum Secretariat prepared a report that takes stock of the progress made on the participation of developing jurisdictions in AEOI under the Strategy. OECD (2023), Update on the implementation of the 2021 Strategy on Unleashing the Potential of Automatic Exchange of Information for Developing Countries, Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD, Paris, <https://www.oecd.org/tax/transparency/documents/update-on-implementation-of-2021-aeoi-strategy-for-developing-countries.pdf>.

BOX 16. **COSTA RICA: A comprehensive assistance on legal frameworks and a compliance strategy for AEOI**



Ms Priscilla Zamora Rojas, *Viceminister of Revenue, Ministry of Finance of Costa Rica*

How will the draft bill No. 23.088 contribute to Costa Rica's legal framework and the implementation of AEOI?

In 2015, Costa Rica incorporated into its domestic legislation the standard required to carry out automatic exchange of information, in line with the international tax transparency standard established by the Global Forum. While the legal framework allowed for the effective implementation of AEOI, peer reviews identified opportunities for improvement and, in May 2022, the Ministry of Finance submitted to the Legislative Assembly the draft Law No. 23.088, prepared with the technical assistance of the Global Forum Secretariat, which amends article 106 quater of the Code of Tax Rules and Procedures. Law No. 23.088 was approved by the Legislative Assembly and is in force as of May 2024.

The amendments to the current regulations represent an important change, which empower the Tax Administration to supervise, verify and monitor Reporting Financial Institutions regarding the application of internal control procedures, and the compliance with due diligence and reporting obligations under the CRS, including through the execution of annual actions. In addition, the regime of administrative sanctions applicable in case Reporting Financial Institutions fail to comply with their obligations is strengthened.

The aforementioned powers are essential for Costa Rica to fully comply with the AEOI standard, providing greater certainty as to the quality of the information included in the CRS report, so that the information submitted is useful to other jurisdictions in their tax compliance actions. In addition, the legislative amendments seek to strengthen the compliance culture of the Reporting Financial Institutions, which is a key element for Costa Rica to comply with the international standard.

In parallel, the Tax Administration prepared, also with the advice of the Global Forum Secretariat, the "Implementation Guide for the AEOI Standard Compliance Strategy", which details the strategy for implementing the administrative actions derived from the extension of the powers granted by the reform of the Code of Tax Rules and Procedures.

What is the foreseen impact of the administrative compliance strategy developed for Costa Rica?

The "Implementation Guide for the AEOI Standard Compliance Strategy" is crucial for the effective implementation of the AEOI, as it guides the actions to be taken by the Tax Administration to improve compliance with CRS reporting

obligations (for example, targeted or sample-based reviews of financial institutions considered high risk), to reduce the percentage of undocumented accounts, to ensure that financial institutions remain in compliance status, to improve the quality of the information exchanged, and to maintain smooth communications with exchange partners in an effective and timely manner.

With these measures, Costa Rica is expected to obtain and maintain a satisfactory rating in the Global Forum's AEOI peer review processes, having adopted changes to its domestic legislation and put in place a series of administrative actions to ensure that all actors do their part to fulfil Costa Rica's commitment to AEOI.

How has the technical assistance from the Global Forum Secretariat supported the implementation of an administrative framework for AEOI?

The technical assistance of the Global Forum Secretariat has been fundamental in the process of implementing the recommendations resulting from the AEOI peer review. For the drafting of Bill 23.088, several virtual meetings were held, through which the Tax Administration presented its proposal, and the technical assistance team of the Global Forum provided their observations, until finalising the text that was submitted to the Legislative Assembly in May 2022.

The support of the Global Forum Secretariat has also been present throughout the legislative discussion process of the draft bill. In August 2023, a virtual hearing was held with the members of the Legislative Commission in charge of this initiative, during which Ms Zayda Manatta – Head of the Global Forum Secretariat – explained in detail the reasons why it is necessary to adopt the proposed amendments in order to improve the ratings obtained by Costa Rica in the legal framework and effectiveness reviews, which would have an impact on Costa Rica's compliance with the international fiscal transparency standard.

Subsequently, in January 2024, the Global Forum Secretariat sent a note to the Legislative Assembly reiterating the importance of the prompt approval of the draft bill, so that Costa Rica can obtain a re-evaluation by the Global Forum in the first half of 2024 and avoid its possible inclusion in the list of non-cooperative countries of the European Union.

Thanks to all the above, the bill advanced the legislative stream and was approved by the Legislative Assembly and is in force as of May 2024.

Source: Ministry of Finance of Costa Rica

Making a difference in tax transparency in Latin America through capacity building

TABLE 8. Technical assistance to Latin American countries on automatic exchange of financial account information

Technical assistance topic	Number of countries			
	2020	2021	2022	2023
ISM	3	2	2	4
AEOI legal framework	5	2	1	3
AEOI effectiveness in practice	1	–	3	5
Effective use of CRS data	1	–	3	3

Source: Global Forum Secretariat

Developing skills in exchange of information through workshops and seminars

The delivery of training events is one of the axes of the Global Forum Secretariat's capacity-building programme, which strengthens the scope of the technical assistance by making sure that EOI knowledge reaches broader audiences.

Since 2018, the Global Forum Secretariat has delivered technical assistance on various areas of tax transparency, including workshops to support the effective implementation of EOIR and AEOI, seminars to train EOI staff and tax auditors on the use of the EOI tools, and events on confidentiality and data safeguards.

During 2018-2023, 4 782 officials from Latin American countries were trained, with a preponderance of female participation (more than half of the participants were female during the 2020-2023 period) (see Table 9). The Global Forum Secretariat started delivering virtual events in 2020 because of the global pandemic and has continued to deliver part of its training programme in such format to reach out to more officials.

Year 2023 marked the restart of on-site trainings in Latin America. Hence, in November 2023, 23 tax officials and auditors from 11 Latin American

"This highly dynamic workshop, based on a combination of methodologies with expert presentations, open discussions, group sessions, case studies, and sharing of experiences with EOI experts from different countries, has been key to understanding how to make effective use of the legal framework and the technical infrastructure, with the aim of increasing the number and quality of outgoing requests to partner jurisdictions, reinforcing the unequivocal view that the protection of domestic revenues is closely linked to the effective use of EOI tools and networks."



Importantly, to date, participants in this workshop have continued to communicate with each other, allowing us to discuss issues of common interest for the work of our respective Offices."

Xenia Guillén de García, Head of Department of Agreements and Information Exchange, General Directorate of Internal Revenues of El Salvador

countries³ met in Montevideo, Uruguay, from 20 to 24 November 2023 for the Workshop on Auditing Cross Border Transactions – The Crucial Role of Exchange of Information. This five-day workshop was organised by AECID, IEF, the World Bank, and the Global Forum

TABLE 9. Number of Latin American participants in training events, 2018-2023

	2018-2019	2020	2021	2022	2023
Total	385	1 240	1 099	1 141	917
Female participation	n/a	58.7%	55%	58.4%	52.8%

Source: Global Forum Secretariat

3. Argentina, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Paraguay, Dominican Republic and Uruguay.

Secretariat. This workshop highlighted the practical aspects of EOI and targeted tax auditors since they are the actors who start EOIR in practice. The objective of this workshop was to enhance participants' ability to make effective use of the EOI infrastructure in order to increase the number and the quality of outgoing requests and replies to their treaty partners, as well as to improve the quality of their domestic tax audits to combat cross-border tax evasion.

"The workshop on "Auditing Cross-Border Transactions: The Crucial Role of Information Exchange" held in Montevideo, Uruguay, allowed me to learn about best practices on tax information exchange, applying the theoretical EOI knowledge acquired during the different sessions to exercises simulating information exchanges. It was also very important to share experiences with staff from other tax administrations in person, and to expand the network of contacts with EOI colleagues, which facilitates communication in cases where it is necessary to obtain relevant information from other jurisdictions. Finally, the knowledge acquired strengthens the Department in charge of managing information exchange in the Superintendency of Tax Administration of Guatemala and has an impact on the quality of the information requests sent."



Luis Martínez, Head of the Department of Investigation, Verification and Information Analysis, Audit Division, Superintendency of Tax Administration of Guatemala

Knowledge products and tools

EOI knowledge and skills among tax officials have been significantly bolstered by the development of knowledge products and tools. Recognising the pivotal role these officials play in combating tax evasion and other IFFs, the Secretariat has championed a multi-channel approach to capacity building which includes a range of knowledge tools: comprehensive toolkits, guidance documents, and self-directed e-learning modules, all designed to be accessible and maximised for impact by being offered in different languages.

To address the diverse needs of tax administrations, the Global Forum Secretariat has adopted a hybrid approach that effectively merges remote technical support with these knowledge tools. This approach allows for the extension of technical support to the greatest extent possible remotely, setting the stage for subsequent in-country assistance. Such targeted assistance is meticulously planned to tackle any remaining challenges and to cover critical aspects of tax transparency that require more nuanced, hands-on guidance and support.

Tools and toolkits

The Global Forum Secretariat together with regional partners has released an array of toolkits and manuals designed to address knowledge gaps and support capacity building. These resources provide practical solutions for member countries, especially those in the development phase, aiming to leverage EOI tools within their domestic revenue mobilisation strategies. Over the last five years, these comprehensive toolkits have been crafted to cover all crucial aspects of standard implementation and have been made readily available through the Global Forum's website⁴, illustrating the Secretariat's commitment to empowering tax officials in their EOI roles (see Table 10). The Secretariat has worked to make these tools and toolkits available to Latin American members in their official languages to ease local training and use of them. As such, all the resources have been translated to Spanish and some to Portuguese⁵. Also, the Global Forum has cooperated in this work with regional partners like the Inter – American Development Bank (IDB) for the Beneficial Ownership Toolkit and with the Inter - American Centre of Tax Administrations (CIAT) in the Chapter on International Cooperation that is part of the Manual for the Control of International Tax Planning.

In addition, the Global Forum Secretariat has created a suite of supplementary tools and guidance documents to aid member countries. These on-demand resources, all available in Spanish, have been meticulously curated for their utility and relevance, and they are available upon request to further bolster and facilitate the work of officials from the Latin American members' tax authorities. These additional resources⁶ include EOI tracking and assessment tools, models legislation,

4. Global Forum tools and toolkit are accessible at: <https://www.oecd.org/tax/transparency/documents/key-publications-and-documents.htm>.

5. The Exchange of Information Manual, published in partnership with the World Bank and the African Development Bank is available in Portuguese.

6. On-demand resources are listed at: <https://www.oecd.org/tax/transparency/documents/documents-available-to-tax-authorities-upon-request.htm>



Women Leaders in Tax Transparency network reception, 30 November 2023, Lisbon, Portugal.

TABLE 10. Tools and toolkits launched during the 2019-2023 period

Tools and toolkits	Launched date
A Toolkit for Establishing a Function for Cross-Border Assistance in the Recovery of Tax Claims	2023
Chapter on International Cooperation, which is part of the Manual for the Control of International Tax Planning of the Inter-American Centre of Tax Administrations (CIAT)	2022
Exchange of Information Manual, published in partnership with the World Bank and the African Development Bank.	2022
Building Effective Beneficial Ownership Frameworks Toolkit, jointly with the Inter-American Development Bank (IDB).	2021
Model Manual on Exchange of Information for Tax Purposes	2021
Toolkit for the Implementation of the Standard for Automatic Exchange of Financial Account Information	2021
A Toolkit for Becoming a Party to the Convention on Mutual Administrative Assistance in Tax Matters	2020
Confidentiality and Information Security Management Toolkit	2020
Establishing and Running an Effective Exchange of Information Function - A joint Global Forum and ATAF Toolkit	2020
A Beneficial Ownership Implementation Toolkit	2019

Source: Global Forum Secretariat.

guidance on ISM related-matters, and other tools that support the implementation of the tax transparency standards.

E-learning courses

The e-learning courses, available via the Knowledge Sharing Platform (KSP), are an integral part of the capacity-building strategy. To facilitate wide-ranging participation, these courses are accessible at no cost and are tailored to allow officials flexibility in learning. These courses have become a cornerstone in equipping officials with a foundational understanding of tax transparency, acting as preparatory groundwork that enriches subsequent, more focused technical assistance. They elevate the efficiency of technical meetings

by ensuring all participants possess a baseline of knowledge, fostering a more interactive and productive discussion.

The Secretariat has developed several e-learning courses, launched since 2019, that tackle key subjects relevant for a full implementation of EOI standards. They all have been made available in Spanish for Latin American members (see Table 11). All the Latin American members have reported the use of KSP as a foundational resource to disseminate knowledge and skills locally and more than half of them specially highlight the value of the e-learning courses to train staff and help build local capacity.



TABLE 11. E-learning courses from 2019 to 2023

E-learning course	Launched date
Introduction to the Common Transmission System - CTS	2023
Understanding Information Security Management Documentations	2023
Understanding Information Security Management Framework	2022
Automatic Exchange of Information (AEOI)	2022
Confidentiality and Data Safeguards Assessment Process	2021
Confidentiality and Data Safeguards Requirements.	2021
Exchange of Information on Request	2020
Beneficial ownership	2020
Global Forum: Exchange of Information as a Tool to Combat Tax Evasion	2019

Note: All the courses are available via the Knowledge Sharing Platform (KSP).

Source: Global Forum Secretariat

NOVEL PROGRAMMES FOR SUSTAINABILITY AND INCLUSIVENESS ON TAX TRANSPARENCY

Building sustainable capacities and promoting gender balance are cornerstones of the capacity building programme of the Global Forum Secretariat. The Train the Trainer and the Women Leaders in Tax Transparency flagship programmes have materialised this approach.

Building sustainable capacities through the Train the Trainer Programme

The Train the Trainer Programme⁷ was launched for Latin American tax officials in 2022, with the objective of building a network of local EOI experts, who can afterwards multiply this knowledge throughout their tax administrations. In this manner, sustainable

EOI capacities and technical skills are sustained over time. The Train the Trainer programme has a duration of nine months, during which the participants develop and strengthen their EOI knowledge, their own training material and their soft skills to be able to deliver at least two local training sessions at the end of the programme (see Figure 18).

As a result of the Train the Trainer programmes in 2022 and 2023, a network of 42 local trainers has been created, who delivered 47 local training sessions for 1 465 officials of their respective tax administrations, of which 58.5% are female (see Table 12 and Box 17).

7. More information on the Train the Trainer Programme is available at <https://www.oecd.org/tax/transparency/what-we-do/technical-assistance/train-the-trainer.htm>.

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TABLE 12. Results of the Train the Trainer programme for Latin America

	2022	2023	Total
Train the Trainer programme			
Number of countries	10	11	14
Number of participants	20	22	42
Female participation (%)	70%	68%	69%
Local training sessions			
Number of training sessions delivered	20	27	47
Number of officials trained	883	582	1 465
Female participation in local trainings (%)	60%	56%	58.5%

Source: Global Forum Secretariat.

FIGURE 18. Structure and sequence of the Train the Trainer programme



Source: Global Forum Secretariat

BOX 17. CHILE's experience with the Train the Trainer Programme



Ms Carolina Orellana, and Mr Rachid Osman, Internal Tax Service, Chile

How did the programme enable you to improve your EOI skills (soft and technical skills) and become an EOI Trainer?

We are very grateful to have participated in the Train the Trainer programme. Participating in this programme has allowed us to improve and further develop both our presentation and communication skills, as well as our knowledge on the key technical aspects of exchange of information. We are now better prepared to share and disseminate this knowledge across the Internal Tax Service. In addition, the Train the Trainer programme was a great opportunity to connect with and learn from trainers from other jurisdictions in the region.

How do you plan to use your acquired skills in the future? What are the plans for additional local trainings? Is there a timetable to follow?

Going forward, the subject "Exchange of Information as a tool to tackle tax fraud" will be incorporated to the International Tax Audit training programme to be scheduled and delivered

on a yearly basis, according to the institutional guidelines and requirements. During 2024, we will also prepare and develop pilot trainings targeted to natural users of exchange of information, in order to evaluate their incorporation to the International Tax Audit training route.

Source: Internal Tax Service of Chile.



1st meeting of the Train the Trainer network, 5-6 December 2023, Paris, France.

Promoting gender balance through the Women Leaders in Tax Transparency programme

Women Leaders in Tax Transparency is a flagship programme to promote gender balance in tax

transparency and female leadership in tax administrations and ministries of finance. Launched in 2022, the Women Leaders in Tax Transparency programme⁸ has a nine-month duration, during which participants engage in technical sessions, as well as

8. More information on the Women Leaders in Tax Transparency programme is available at <https://www.oecd.org/tax/transparency/what-we-do/technical-assistance/women-leaders-in-tax-transparency.htm>.

BOX 18. Interview with participants of the 2023 Women Leaders in Tax Transparency programme

Ms Isabel Y. Vecchio Arófulo, *Director, International of the Fiscal and Financial Strategy Directorate, Ministry of Economy and Finance of Panama, and Technical Secretary of the National Commission against Money Laundering of Panama*

What is the importance of the Women Leaders in Tax Transparency programme for you?

The 2023 Women Leaders in Tax Transparency Programme was highly helpful and important to me since it contributed to strength my knowledge not only on EOI, but also on so many other subjects that we deal with on a daily basis. The opportunity to receive feedback from colleagues from all over the world, as well as from recognised experts, made a huge difference in the application of knowledge and strategies as part of our work.

Likewise, the sessions allowed me to deepen my knowledge of international taxation issues, as well as to become more confident when developing national approaches that enable sectors to maintain a transparent competitiveness in the face of new global challenges.

I found key the opportunity to listen to the personal experiences of renowned women speakers and the challenges they encountered throughout their professional careers, as well as how fruitful it is to achieve goals in this field as a woman. In this sense, I think it is important to continue promoting the participation of women in the fiscal area, including in decision-making and leadership positions, since we have demonstrated high levels of effectiveness in the implementation of public policies.

How have you benefited from the programme?

The list of benefits of the programme is really long, among which I would highlight that the sessions allow us to share experiences and best practices, which is directly and immediately reflected in the benefit of the jurisdiction and the daily work. This has allowed me to implement new techniques in terms of case analysis, country realities, opportunities for improvement and strengthening of knowledge.

In addition, acquiring this knowledge allows us to be replicators of positive practices and knowledge, which helps strengthen the capacities of our technical teams and colleagues.

Ms Lilian R. Román Florencio, *Director General for Institutional and International Relations, National Directorate of Tax Revenues of Paraguay*

What is the importance of the Women Leaders in Tax Transparency programme for you?

The 2023 Women Leaders in Tax Transparency programme in which I had the great opportunity to participate allowed me to strengthen my technical skills and to understand even better the importance of tax transparency. It also allowed me to broaden and update my knowledge on the subject, as well as inspire in me, through the mentoring sessions and the exchange of experiences with women from tax administrations around the world, a great deal of confidence, empathy and recognition of my own situation through what they shared with participants.

All these shared experiences strengthened my self-esteem and gave impetus to the reflective decision-making I have to do every day in different areas of my life, remembering that all over the world there are women with the same challenges who overcome them every day in different ways, but supporting each other.

How have you benefited from the programme?

The programme provided me with technical tools to improve my communication and breathing under pressure, presenting points of view to work teams or supervisors and even communication options for conflict management; this no doubt led to a visible improvement in my social interaction at work, in the various work teams I am part of. At the time I was nominated for the programme, I held a technical position and currently, I am occupying a managerial position in the Directorate of Tax Revenues of my country.

Source: Ministry of Economy and Finance of Panama, National Directorate of Tax Revenues of Paraguay.

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in mentorship and leadership training sessions to build strong skills on tax transparency and effective implementation of the EOI standards. The mentoring sessions are delivered by experienced and successful women in the tax transparency field.

The 2022 and 2023 editions of the programme resulted in a network of 11 women from 9 Latin American countries, who have built their professional skills to advance their careers and take leading roles (Box 18 and Box 19).⁹

BOX 19. Women Leaders in Tax Transparency: 2023 programme

- **March 2023:** initial meeting focused on the Global Forum and the tax transparency standards, including beneficial ownership, with mentoring sessions by Maria José Garde, Patron of the 2023 edition, Director General of Taxes, Ministry of Finance, Spain, Chair of the European Union Code of Conduct Group and former Chair of the Global Forum (2017-2022), and by Zayda Manatta, Head of the Global Forum Secretariat.
 - **April 2023:** second meeting centred on the AEOI standard and the MAAC with mentoring sessions by Grace Perez-Navarro, Patron of the first edition and former-Director of the OECD Centre for Tax Policy and Administration, and Ana Cebreiro Gomez, currently Senior Economist (Tax Policy), International Monetary Fund and at that time Senior Economist (International Tax), World Bank.
 - **May 2023:** third meeting focused on the practical aspects of EOIR, in particular the concept of foreseeable relevance, with mentoring sessions by Huey Min Chia-Tern, Deputy Commissioner of the Inland Revenue Authority of Singapore and former Chair of the PRG (2016-2022), and Elfrieda Stewart Tamba, former Commissioner General of the Liberia Revenue Authority and former Deputy Minister of Finance of Liberia.
 - **July 2023:** fourth meeting focused on the international tax agenda, with mentoring sessions by Fabrizia Lapecorella, Deputy Secretary General of the OECD, and Marlene Nembhard-Parker, Deputy Commissioner General, Legal Support Division, Jamaican Tax Administration and Co-Chair of the Inclusive Framework on BEPS.
 - **September 2023:** fifth meeting centred on a leadership training for women, with the participation of a certified trainer.
 - **October 2023:** final meeting of the 2023 edition with a feedback session. In addition, the first annual Women Leaders in Tax Transparency network meeting was held with a mentoring session given by Manal Corwin, Director of the OECD Centre for Tax Policy and Administration.
 - **December 2023:** strengthening of the Women Leaders in Tax Transparency Network with an in person gathering in the margin of the Plenary Meeting of the Global Forum.
- Source:** Global Forum Secretariat.

TECHNICAL ASSISTANCE WORK PLAN AND GOVERNANCE FRAMEWORK FOR 2024-2026

Capacity building for Latin America has been steered by high-level work plans that follow the priorities set up by Latin American members.

The Work Plan and Governance 2021-2023, approved in November 2020 during the 3rd meeting of the Declaration, came to an end in 2023. The Work Plan 2021-2023 encompassed (i) baseline actions to be implemented by all members to establish legal, organisational and monitoring frameworks for EOI; and (ii) complementary actions to be implemented by interested members (see). The activities planned had a strong technical assistance component, which allowed

most Latin American members to make progress on the implementation of the main components of a functional EOI infrastructure and a broad EOI network.

In 2023, Latin American members approved a Work Plan for 2024-2026 during the 9th meeting of the Punta del Este Declaration. This work plan will continue to rely on a dual component and intensive technical assistance (see Figure 4):

- baseline actions, to unleash the benefits of EOI in Latin America. This will be achieved by fully implementing EOIR, increasing EOI requests and

9. Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Panama, Paraguay and Peru.

monitoring the benefits, by consolidating the effective implementation of EOI, and by continuing to promote knowledge tools and trainings

- complementary actions to advance the pilot project for the wider use of treaty-exchanged information and the implementation of enhanced forms of administrative assistance (tax examinations abroad and simultaneous tax examinations)

The Work Plan 2024-2026 will be carried out with the support of the partners of the Initiative. Finally, the governance for 2024-2026 will follow the 2021-2023 framework, with a rotating Chair and Vice-Chair.

Advancing the use of enhanced forms of administrative assistance in the work plan 2024-2026

The inclusion of the implementation of enhanced forms of administrative assistance as a complementary action follows the agreement made during the 8th meeting of the Punta del Este Declaration held in Asunción, Paraguay, where members agreed to explore activities and build capacities to promote enhanced forms of administrative assistance (see Table 13). Exploring the full range of possibilities for co-operation provided by the MAAC, including through enhanced co-operation, is one of the objectives of the Punta del Este Declaration. These forms of administrative assistance can complement EOIR and AEOI and increase the likelihood of success of tax investigations. However, their use among Latin American members has been limited so far.

Capacity building for Latin America has been steered by high-level work plans that follow the priorities set up by Latin American members.

Latin American members showed a great interest in engaging in enhanced forms of administrative assistance and on receiving related capacity building in a survey carried out in July 2023. The results of this survey indicate that 13 Latin American countries are interested in implementing enhanced forms of administrative assistance, with 9 countries expressing interest in engaging in at least one of the enhanced forms of administrative assistance. Latin American countries are mostly interested in implementing TEA (seven countries), followed by STEs (five countries), and CBAR and service of documents (three countries interested in each). In addition, the areas of greatest interest for capacity building or technical assistance on enhanced forms of administrative assistance are the delivery of trainings and the development of toolkits, followed by tailored technical assistance on practical implementation and tailored technical assistance on the legal framework.

Latin American respondents to the survey indicated that, before engaging in other forms of administrative assistance, they first need to assess the legal, regulatory and organisational framework. Therefore, technical assistance efforts for the 2024-2026 period will focus on assisting interested Latin American members in overcoming these issues.

TABLE 13. **Types of enhanced forms of administrative assistance**

Cross-border assistance in the recovery of taxes (CBAR)	Tax authorities can resort to this form of cross-border assistance when tax claims are not fully recovered despite the exhaustion of the domestic tax recovery powers. This type of administrative assistance requires having an appropriate domestic legal framework to collect outstanding taxes within the jurisdiction.
Tax examinations abroad (TEA)	TEA involve the presence of tax officials authorised or delegated by the Competent Authority of a jurisdiction on the territory of another jurisdiction to attend a tax examination and obtain information.
Service of documents	The service of documents involves assisting authorities in serving documents abroad (for example, in the case of a tax claim against a non-resident). The aim is to ensure that documents such as notices of assessment or reminders reach the taxpayer, to avoid enforcement steps being taken against a taxpayer who is genuinely ignorant of the tax claim or is merely neglectful.
Simultaneous tax examinations (STE)	An STE is an arrangement by two or more countries to examine simultaneously and independently, a taxpayer or taxpayers in whom they have a common or related interest. The examinations are carried out by each country on its own territory with a view to exchanging any relevant information that they obtain.

Source: Global Forum Secretariat

Making a difference in tax transparency in Latin America through capacity building

GROWING PARTNERSHIPS TO SUPPORT LATIN AMERICAN COUNTRIES

The implementation of the Punta del Este Declaration mandate has counted on the continuous support and involvement of its longstanding partners, including in the production of toolkits and manuals, the delivery of workshops and seminars, and the provision of bespoke technical assistance. CIAT, IDB and the World Bank are the founding partners present at the signing of the Punta del Este Declaration in November 2018.

While enhancing synergies from existing partners, new collaborations were initiated in the last five years. The

International Finance Corporation (IFC), a member of the World Bank Group, was welcomed in 2022 as a partner of the Latin America Initiative. In 2023, the Latin America Initiative welcomed two new development partners of the Declaration: IEF and AECID.

“Achieving efficient and transparent management of public resources and combating tax fraud in all its manifestations are essential steps towards fairer, more equitable and inclusive societies. At AECID, we believe that the best way to achieve this is by working together, in alliance, generating knowledge and sharing challenges.”



Antón Leis, Director, Spanish Agency for International Development Cooperation (AECID)

“In recent years we have seen countries’ tax policy makers aligning themselves to fight international tax fraud. One of the most powerful measures has been the network of exchange of information agreements between jurisdictions. But it is essential to go a step further and ensure that the human talent of the institutions acquires the knowledge, skills and competences to make use of all the tools for the fight against fraud. For this reason, the Spanish Institute of Fiscal Studies, as a centre for training and research in public finance, is at the disposal of the Global Forum and the countries of the Punta del Este Declaration in its mission to disseminate and train in best practices in tax transparency and information exchange.”



Alain Cuenca, Director, Institute of Fiscal Studies (IEF)

With the support of its six development partners, the Latin America Initiative is equipped to support the technical assistance needs of the region to efficiently advance tax transparency.



Institute of Fiscal Studies



Inter-American Center of Tax Administrations



Inter-American Development Bank



International Finance Corporation



Spanish Agency for International Development Cooperation



World Bank



Wider use of treaty-exchanged information: a Latin American contribution to a whole-of-government approach to fighting illicit financial flows

5

The sharing of information obtained through the exchange of information for tax purposes with other law enforcement authorities for non-tax purposes, also known as the “wider use of treaty-exchanged information”, could significantly assist investigations carried out by other non-tax law enforcement authorities, such as those responsible for AML and countering the financing of terrorism, anti-corruption, and customs authorities. While the wider use of tax-treaty exchanged information is not widely applied around the world, some Latin American countries already reported on its usefulness in a whole-of-government approach to tackle IFFs (see Box 20), and other jurisdictions showed an interest in exploring ways to facilitate this form of co-operation (see Box 21).

Wider use of treaty-exchanged information

As a result, since 2018 Latin American countries have made strides to implement the wider use of treaty-exchanged information. These activities have been carried out in two phases: (i) a first phase to lay the groundwork for wider use through a baseline study and a framework of administrative arrangements, and

(ii) a second phase to start wider use implementation, primarily through the launch of a pilot project, a call for nominations for countries to join this pilot, and the delivery of confidentiality modules for participating countries.

BOX 20. ARGENTINA: Practical examples of wider use in 2023

The wider use of treaty-exchanged information for non-tax purposes is important for Argentina in the fight against money laundering and financial offences, in line with the objectives of the Punta del Este Declaration.

In 2023, Argentina sent four authorisation requests to use the information exchanged for AML purposes.

Based on the CRS data received from abroad, the AFIP became aware that for the 2018 tax period, an Argentine taxpayer held a financial account in a bank located in a foreign jurisdiction. Based on this information, the AFIP conducted an audit of the local taxpayer and verified that the reported account was not disclosed in his tax returns.

In response to the enquiries made by AFIP, the taxpayer denied any connection with the account. For this reason, an EOI request was sent to the reporting jurisdiction to obtain further information. Based on the response received, it was possible to confirm the taxpayer's ownership of the financial account, which allowed to determine the not declared taxes.

Likewise, it was also ascertained that the taxpayer was unable to justify the origin of the funds, as well as his economic and financial capacity to have obtained them. For this reason, the audit area reached out to the EOI Unit asking it to obtain authorisation to report an unusual transaction to the Financial Information Unit (*Unidad de Información Financiera* – UIF) of the Argentine Republic. Accordingly, a request for authorisation was made to the jurisdiction that provided the information to use it for AML purposes. The jurisdiction authorised the wider use of the information exchanged.

Once the authorisation was received, the unusual transaction report was filed. It should be noted that documents received under the EOI are not shared with the FIU, unless the treaty conditions are complied with. AFIP does not have access to the investigations carried out by the FIU. The results of the reports on unusual transactions may be known in case they go through a judicial instance and a sentence is issued.

Source: Federal Administration of Public Revenues of Argentina.



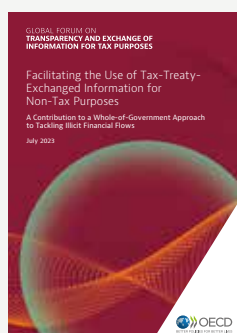
BOX 21. G20 report on the wider use of treaty-exchanged information

At its February meeting in 2023, the Indian G20 Presidency asked the Global Forum to provide a report “to assist interested jurisdictions to streamline the processes involved in obtaining consent for the use of information obtained through tax treaties for non-tax purposes, wherever provided in tax treaties” that takes into account “the issues faced by jurisdictions in obtaining consent for such purposes and exploring potential solutions, which could be utilised by interested jurisdictions on a bilateral and voluntary basis, while upholding the confidentiality of such information”.

Following this request, the Global Forum Secretariat delivered a report in July 2023, which builds on the experience and work carried out

under the Punta del Este Declaration – Latin America Initiative. This report highlights the benefits, the conditions, and the challenges of using the information exchanged through tax-treaty channels for purposes other than tax, and then details a possible approach that could be implemented by interested jurisdictions to facilitate this form of co-operation and to streamline the related processes.

Source: OECD (2023), *Facilitating the Use of Tax-Treaty-Exchanged Information for Non-Tax Purposes: A contribution to a whole-of-government approach to tackling IFFs*, Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD, Paris, <https://www.oecd.org/tax/transparency/documents/facilitating-the-use-of-treaty-exchanged-tax-information-for-non-tax-purposes.pdf>.



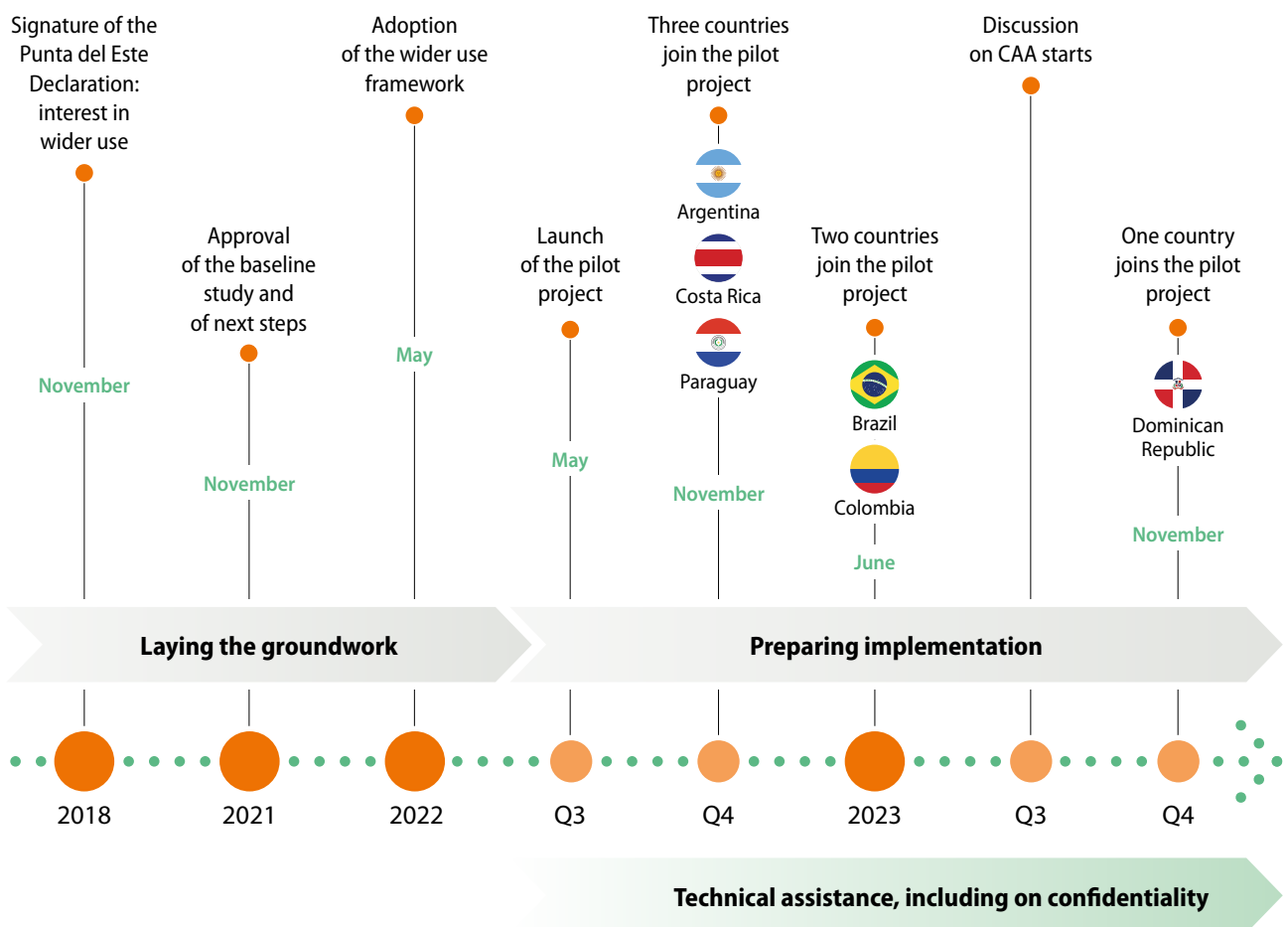
A JOURNEY THAT STARTED IN 2018

The inception of this project goes back to 2018, when Latin American members of the Global Forum met in the margins of the Global Forum Plenary Meeting held in Punta del Este, Uruguay, and agreed to launch the Punta del Este Declaration. In the Declaration, signatories agreed to strengthen their efforts to tackle tax evasion, corruption, and other financial crimes through closer co-operation. One of the activities agreed to achieve this objective was to consider the “wider use of the information provided through for other law enforcement purposes as permitted under the multilateral Convention on Mutual Administrative Assistance in Tax Matters and domestic laws”.

Since then, concrete actions have been undertaken to materialise this Latin-American-led initiative (see Figure 19).



FIGURE 19. Wider use of treaty-exchanged information: a journey that started in 2018



Source: Global Forum Secretariat

Wider use of treaty-exchanged information

2018 – 2021: Laying the groundwork for wider use

- **A baseline study.** Under the Latin America Initiative, a study was conducted in 2021 to understand the current position of Latin American member countries regarding their international and domestic legal framework for the wider use of treaty-exchanged information. This study concluded that most Latin American member countries have the legal framework in place for carrying out wider use. Its content and conclusions were approved by Latin American members during the 5th meeting of the Punta del Este Declaration held in December 2021.
- **A framework for wider use.** This pioneering framework, adopted by Latin America Initiative members during the 6th meeting of the Declaration held in May 2022, consists of:
 - **An administrative framework for co-operation** to support interested countries in facilitating wider use and to streamline the processes and procedures involved in the process. The co-operation agreements for implementation comprise: (i) a Competent Authority Agreement (CAA) that provides the overarching framework and the authorisation process for wider use, and (ii) memoranda of understanding (MoU)

between tax and non-tax agencies for domestic implementation.

- **A pilot project** to implement the administrative framework for wider use between interested countries.
- **A confidentiality and data safeguards training programme** to raise awareness and strengthen knowledge among non-tax law enforcement agencies on the confidentiality requirements to deal with the exchanged information.

2022 – 2023: Launching the work for wider use implementation

- **Latin American members join the pilot project.** The implementation of the pilot project started in May 2022 with a call of interest to Latin American member countries to join the pilot. Since then, six Latin American members have signed up to the pilot project: Argentina, Costa Rica and Paraguay in November 2022, Brazil and Colombia in June 2023, and the Dominican Republic in November 2023. They have expressed interest in engaging in wider use for at least one of the defined non-tax purposes: criminal prosecution, anti-money laundering and terrorism-financing, anti-corruption, and customs matters (see Box 22).

FIGURE 20. Delivery of confidentiality modules for wider use 2022-2023



Source: Global Forum Secretariat

- **Design and delivery of a confidentiality and data safeguards training programme** (see Figure 20). During 2022, a confidentiality and data safeguards training programme for law enforcement authorities was designed, with emphasis on non-tax agencies. This training programme was delivered in three modules during 2022 and 2023. The first module was open to all Latin American members, and the second and third modules were open only to jurisdictions participating

in the pilot project. Participants in the training included officials from tax and non-tax agencies, such as financial intelligence units, anti-corruption agencies, prosecutors' offices, and customs agencies.

- **Preparing the Competent Authority Agreement for wider use.** During 2023, the drafting and discussion by the Latin America members of the CAA to implement the wider use started.

BOX 22. BRAZIL, COLOMBIA and the DOMINICAN REPUBLIC join the pilot project for the wider use of treaty-exchanged information in 2023

Interview with **Mr Robinson Sakiyama Barreirinhas**, *Special Secretary of the Federal Revenue of Brazil, Vice-Chair of the Punta del Este Declaration in 2024*; **Mr Luis Carlos Reyes Hernández**, *General Director of the National Taxes and Customs Directorate of Colombia, Vice-Chair of the Punta del Este Declaration in 2023*; and **Mr Raidon Rafael Moscoso Castillo**, *Director of Tax Policy and Legislation, Ministry of Finance of the Dominican Republic*

Why is important for your country to promote a whole-of-government approach of a wider use of the information obtained for tax purposes? What benefits does your country expect from participating in the pilot project?

Mr Robinson Sakiyama Barreirinhas

The Brazilian Tax Administration — the Special Secretariat of the Federal Revenue of Brazil — is a single entity responsible for tax and customs compliance and enforcement since its creation, back in 1968. We are of the view that the integration of different agencies for the accomplishment of similar or converging objectives, in a whole-of-government approach, leverages the fulfilment of their mandates. Brazil believes that the pilot project can assist in the process for the implementation of the inter-agency co-operation and, thus, it can play an important role in the fight against tax evasion and other illicit financial flows by facilitating the use of the information exchanged pursuant to the Convention for other law enforcement purposes, in the way and to the extent permitted under the Convention. Brazil is especially interested in the use of exchanged information for customs purposes and will sign the Competent Authority Agreement with the aim of exchange information for customs purposes at this stage.

Mr Luis Carlos Reyes Hernández

IFFs are not only a concern from a tax evasion perspective as they relate to several other crimes, such as money laundering, corruption and smuggling. Dealing with these crime structures in an effective way requires the implementation of a coordinated and collaborative approach among different

governmental entities to allow the contribution of different experiences, backgrounds, and investigation and enforcement powers. The use of data obtained through international information exchanges is crucial to ensure better results and to this end the pilot project will assist for the revision of the applicable legal framework to allow the use of the information exchanged in the fight against other crimes.

Mr Raidon Rafael Moscoso Castillo

The fight against corruption cannot be tackled individually, but rather requires linked efforts from the region to achieve unison in terms of mechanisms for sharing information, which otherwise could not be exchanged or would need additional permissions to be exploited. Allowing other competent authorities to use the information exchanged for tax purposes to support the fight and investigation of non-tax crimes is an important tool and a further blow to the web of corruption that prevails globally.

With this adhesion, the Dominican Republic advocates the promotion and creation of an environment of co-operation that allows for joint efforts to pursue and identify corruption schemes that affect the region and negatively impact investment.

How do you think the pilot project should evolve in the coming years? What would you say to other Latin American countries that have not yet joined this initiative?

Mr Robinson Sakiyama Barreirinhas

I believe that the pilot project should take forward the discussion for further developments in the wider use of the information obtained for tax purposes, bringing together more jurisdictions in the region and taking into account each country's reality and limitations.

I would recommend that other countries in Latin America carefully consider the benefits of such use, and I would like



Wider use of treaty-exchanged information

... Box 22 continued.

to say that they are more than welcome to join the members of the Initiative in the efforts to fight against tax evasion and other illicit financial flows through exchange of information. We believe that setting goals and collaborating in building strategies help jurisdictions achieve their objectives.

Mr Luis Carlos Reyes Hernández

The pilot project should enable Latin American member countries to better understand what is required from a legal and regulatory perspective for authorities to benefit from the information exchanged for tax purposes in their fight against non-tax crimes. Further, this pilot project will promote co-operation and teamwork between government authorities to guarantee enhanced results. It is important that more Latin American countries join the effort to improve co-operation between government entities as well as international co-operation.

Mr Raidon Rafael Moscoso Castillo

In order to strengthen transparency in the Latin American region, the project should maintain a focus on promoting different and innovative aspects of co-operation, aimed at

strengthening tax administrations, enabling them to achieve levels of compliance compared to developed countries. The exchange of information has been and will be a favourite tool to expose illicit practices that, as we have mentioned, negatively affect our economies.

Likewise, the Dominican Republic supports the creation of constant training mechanisms that facilitate these administrations to constantly update their collaborators, and to be, in general, aware of good practices and the implementation of measures that allow them to increase their levels of transparency.

As for the other countries in the region, we encourage them to be part of this initiative that will allow us to present a united front of co-operation against corruption, fraud, tax evasion and tax avoidance. By presenting ourselves as a bloc of Latin American countries working together, we set an example in the area of international investment alongside developed countries that have also taken steps to take advantage of the unparalleled importance of information exchanged for tax purposes.

Source: Federal Revenue of Brazil, National Taxes and Customs Directorate of Colombia, Ministry of Finance of the Dominican Republic.

STEPPING UP THE IMPLEMENTATION OF THE PILOT PROJECT: A COMPETENT AUTHORITY AGREEMENT FOR WIDER USE

As approved by Latin America Initiative members in the framework for wider use, the first step for implementation of the pilot project would be the signature of a CAA that will provide a practical framework for wider use. In this context, the Latin America Initiative started the development of a draft CAA in 2023. This process was guided by criteria, parameters and approaches agreed by pilot project countries. A CAA would provide a single mechanism to facilitate wider use between participating jurisdictions and ensure that the processes are consistent and streamlined for swift implementation.

The main parameters and approaches of the CAA would be the following:

- Jurisdictions would have the ultimate control over the decision on their partner jurisdiction(s), the non-tax purposes and the non-tax law enforcement authorities covered. This approach intends to ensure that jurisdictions will engage in wider use only according to their specific priorities and interests.

- Competent authorities would engage in wider use under a preferred authorisation approach, which could include authorisation on a case-by-case basis, or upfront authorisation.
- Confidentiality provisions would be included to ensure the safeguarding of the information shared under wider use.
- The CAA would include templates to guide communications between competent authorities, such as for the request and approval of authorisations.

A draft CAA was presented and firstly discussed by Latin American members during the 9th meeting of the Punta del Este Declaration in November 2023. The objective of the participating jurisdictions is a signature of the CAA for the first semester of 2024.

The next steps on wider use include the conclusion of the CAA and MoUs in 2024 to start the implementation in practice of the pilot project.



6

Looking ahead

Over the next years, the Latin America Initiative will continue to support the region's efforts to fight tax evasion and other IFFs, a central objective of the Punta del Este Declaration. Building on the tangible results brought by the implementation of a comprehensive and impactful capacity-building work plan designed by Latin American members to address their specific needs and challenges, the Initiative will continue to support the implementation and the effective use of the tax transparency standards, as well as other forms of administrative co-operation.

Looking ahead

Being the ground floor for effective tax co-operation, EOIR will remain a central focus to help Latin American countries improve the availability, access and exchange of ownership, accounting and banking information. In particular, supporting the implementation of a sound approach to ensure transparency of beneficial ownership information will remain a key axis, including through assisting the setup of effective beneficial ownership registers. Measuring the benefits generated in the region by the implementation of AEOI, the Initiative will redouble its efforts to raise awareness among non-participating countries and to provide the required support to ensure that these countries smoothly implement this standard in a practical timeframe. This is one of the objectives of the recent Global Forum Secretariat initiative to offer a preliminary maturity assessment on confidentiality and data safeguards to all Latin American members non-participating yet to AEOI to help them make an inform decision on a realistic date for the first automatic exchanges. In this context, a comprehensive technical support will continue to be provided for the implementation of AEOI covering the legal framework, confidentiality requirements, the assurance of financial institutions' compliance, use and operational aspects. Additional support in AEOI will be provided to Latin America countries to facilitate the implementation of the amendments brought to the AEOI standard in 2023, as well as to help the implementation of the CARF.

Beyond the implementation of the tax transparency standards, their effective use to promote compliance and mobilise sustainable domestic revenue will remain a strategic axis for the Initiative. To address the disparities identified in the use of these standards in the region, new approaches will be proposed to boost awareness among senior management and roll out specific training and strategic programmes to encourage tax auditors to utilise EOIR more actively to support their tax audits. The continuous improvement of the use of the CRS data will also be promoted through sharing-experience events, training programmes and bilateral support. Specific actions will be carried out to support an effective monitoring of the impact of the tax transparency standards.

The work initiated by Latin America members on the wider use of tax treaty-exchanged information will move from the designing phase to the implementation one. It is expected that the Competent Authority Agreement for Wider Use of Treaty-Exchanged Information will be

finalised in 2024 allowing its signing and implementation by participating Latin America countries.

Finally, developing knowledge and skills will remain critical priorities for the Initiative. This includes enhancing and updating knowledge tools and delivering intensive training for tax officials on critical areas of standards implementation, such as beneficial ownership and the use of EOI tools in complex scenarios. Flagship programmes, such as Train the Trainer and Women Leaders in Tax Transparency, will remain central to ensure that sustainable training resources are developed locally, and that gender unbalances are addressed for an inclusive contribution in the tax transparency agenda. Enhanced forms of administrative assistance, such as training tax officials to conduct tax examinations abroad and simultaneous tax examinations, will be explored along with developing knowledge tools to support their implementation.

.....
Flagship programmes, such as Train the Trainer and Women Leaders in Tax Transparency, will remain central to ensure that sustainable training resources are developed locally.
.....

Beyond these measures, it is a pivotal next step to develop diversified and advanced forms of cooperation, such as simultaneous tax examination and tax examination abroad, to promote a collaborative environment across Latin America.

Collaboration with development and technical partners has proven crucial for implementing tax transparency standards in Latin America, creating effective synergies that have been pivotal in building political support and meeting the growing demand for capacity building and assistance across the region. Moving forward, it is essential to continue strengthening these synergies and exploring new collaborative opportunities to further advance the region's development.

These priorities aim not only to bolster the infrastructure and capabilities within Latin America for handling tax transparency and EOI but also to cultivate a more robust and co-operative tax environment across international borders.



7 Annexes

ANNEX 1

Country-by-country progress

Country	Membership	Punta del Este member	Technical assistance programme available	Implementation of EOIR standard ¹	
				1 st round	2 nd round
Argentina	2009	2018	Tailored	LC in 2012	C in 2023
Bolivia	Non member	Non member	Pre-membership assistance	–	–
Brazil	2009	2019	Tailored	LC in 2013	LC in 2018
Chile	2009	2018	Tailored	LC in 2014	LC in 2020
Colombia	2011	2018	Tailored	C in 2015	Launched in Q3 2023 ⁴
Costa Rica	2009	2019	Tailored	PLC in 2017	LC in 2019
Dominican Republic	2013	2019	Tailored	PLC in 2017	LC in 2019
Ecuador	2017	2018	Induction programme	–	Phase 1 only (Phase 2 launched in Q2 2023) ²
El Salvador	2011	2021	Tailored	LC in 2016	Phase 1 only (Phase 2 in Q1 2025)
Guatemala	2009	2020	Tailored	PLC in 2017	NC in 2019
Honduras	2019	2020	Induction programme	–	Launched in Q4 2023
Mexico	2009	2021	Tailored	C in 2014	LC in 2023
Panama	2009	2018	Tailored	PLC in 2017	PC in 2019
Paraguay	2016	2018	Induction programme	–	Phase 1 only (Phase 2 scheduled in Q2 2026)
Peru	2014	2019	Tailored	Phase 1 report only (2016)	LC in 2020
Uruguay	2009	2018	Tailored	LC in 2015	LC in 2020

1. The four possible ratings allocated after a full peer review are as follows, ranked in increasing quality: Non-Compliant (NC), Partially Compliant (PC), Largely Compliant (LC), Compliant (C). Provisionally Largely Compliant (PLC) ratings were given to some jurisdictions during Round 1 of reviews.

2. Results expected for Q2 2024.

3. Chile has provided information on wider use of treaty-exchanged information but preferred not to have it published.

4. Results expected in Q4 2024.

EOI network and MAAC status Very narrow < 10 Narrow < 50 Wide < 100 Very wide > 100	Wider use	Confidentiality and data safeguards framework	AEOI commitment	Implementation of the legal framework	Effectiveness in practice
Very wide MAAC in force since 2013	Yes	Reciprocal exchange	First exchange in 2017	In place but needs improvement	Partially Compliant
Very narrow MAAC process not initiated	–	–	–	–	–
Very wide MAAC in force since 2016	No	Reciprocal exchange	First exchange in 2018	In place	On-Track
Very wide MAAC in force since 2016	Not available ³	Reciprocal exchange	First exchange in 2018	In place but needs improvement	Non-Compliant
Very wide MAAC in force since 2014	No	Reciprocal exchange	First exchange in 2017	In place	On-Track
Very wide MAAC in force since 2013	No	Reciprocal exchange	First exchange in 2018	Not in place	Non-Compliant
Very wide MAAC in force since 2019	No	Technical assistance	No	–	–
Very wide MAAC in force since 2019	No	Reciprocal exchange	First exchange in 2021	Not in place	Scheduled for 2025
Very wide MAAC in force since 2019	No	No action	No	–	–
Very wide MAAC in force since 2017	No	No action	No	–	–
Very narrow MAAC signed but not in force	No	Technical assistance	No	–	–
Very wide MAAC in force since 2012	Yes	Reciprocal exchange	First exchange in 2017	In place	Partially Compliant
Very wide MAAC in force since 2017	No	Reciprocal exchange	First exchange in 2018	In place but needs improvement	Non-Compliant
Very wide MAAC in force since 2021	No	Technical assistance	No	–	–
Very wide MAAC in force since 2018	No	Reciprocal exchange	First exchange in 2020	In place but needs improvement	Scheduled for 2024
Very wide MAAC in force since 2016	No	Reciprocal exchange	First exchange in 2018	In place but needs improvement	On-Track

ANNEX 2

Punta del Este Declaration

During the ministerial meeting which took place on 19 November 2018 in Punta del Este, Uruguay, the participating ministers from Latin America discussed the possibilities for leveraging international tax co-operation for public good and signed the Punta del Este Declaration calling for action:

Punta del Este Declaration

A CALL TO STRENGTHEN ACTION AGAINST TAX EVASION AND CORRUPTION

Whereas it is important to strengthen tax policy and administration to better mobilise domestic resources for the benefit of our citizens by supplying governments with much needed resources and instruments for pursuing our respective development goals and sustaining economic growth to achieve the Sustainable Development Goals;

Whereas Latin American countries face significant challenges with respect to revenue collection, with many countries having a tax-to-GDP ratio significantly lower than the OECD average of 34.3%, with the average ratio in Latin America and the Caribbean region more than ten points lower at 22.7%;

Whereas the United Nations' Addis Ababa Action Agenda affirmed the need to redouble efforts to substantially reduce illicit financial flows by 2030, with a view to eventually eliminating them, including by combating tax evasion and corruption through strengthened national regulation and increased international co-operation;

Whereas efforts to tackle illicit financial flows can be enhanced by adopting a "whole-of-government" approach as reflected in the OECD's Oslo Dialogue and as further described in the publications *Fighting Tax Crime: the 10 Global Principles*; *Effective Inter-Agency Co-Operation in Fighting Tax Crimes and Other Financial Crimes* and *Improving Co-operation between Tax Authorities and Anti-Corruption Authorities in Combating Tax Crime and Corruption*;

Whereas tackling tax evasion, corruption and other financial crimes is critically important for enhancing public trust in state institutions, ensuring fair and equitable distribution of the financial burden associated with delivering public goods and services, and achieving sustainable revenue collection; Whereas important steps that can mitigate tax evasion,

corruption and other financial crimes have been identified by the international community;

Whereas unprecedented progress has been achieved in promoting greater tax transparency and exchange of information in the past decade with the support of the Global Forum and other international platforms;

Whereas implementing the international standards of transparency and exchange of information (on request and automatic) as well as the requirements pertaining to the availability of information on the beneficial owners of legal entities has gained widespread acceptance and these standards are now being implemented around the world;

Whereas many Latin American countries are already participating in automatic exchange of information and many are developing centralised beneficial ownership registries as a mechanism to meet the tax transparency standards;

Whereas the progress achieved in Latin America, and the international community more broadly, has been unparalleled in its speed and reach, yet requires further work to level the playing field and ensure that tax authorities have effective means for collecting revenues in a fair and sustainable manner;

Whereas digitalisation is transforming many aspects of our everyday lives, including the way our economy and society are organised and function, and has a wide range of implications for taxation that impacts tax policy and tax administration at both the domestic and international level;

We, the undersigned ministers of Latin America jurisdictions, declare that:

1. We reiterate our commitment to fully and effectively implement the international tax transparency standards of the Global Forum;
2. We agree to establish a Latin American initiative to maximise the effective use of the information exchanged under the international tax transparency standards to tackle tax evasion, corruption and other financial crimes and improve international tax co-operation to counter practices contributing to all forms of financial crimes;
3. We resolve to lead by example in effectively using the powerful global infrastructure for exchange of information which has been built in the past decade to counter illicit financial flows and support domestic resource mobilisation;
4. We encourage all Latin American countries to further strengthen their efforts in tackling cross-border tax evasion, corruption and other financial crimes through closer co-operation, both at the global and regional levels, including in particular through more intense use of all the available exchange of information tools for the purpose of deterring, detecting and prosecuting tax evaders;
5. We commit to explore the full range of possibilities for co-operation provided by the multilateral Convention on Mutual Administrative Assistance in Tax Matters including through enhanced co-operation;
6. We will consider the possibility of (i) wider use of the information provided through exchange of tax information channels for other law enforcement purposes as permitted under the multilateral Convention on Mutual Administrative Assistance in Tax Matters and domestic laws, and (ii) advance more effective and real-time access to beneficial ownership information across Latin America;
7. We will consider carrying out a self-review against the principles identified in the OECD report, *Fighting Tax Crime: the 10 Global Principles and the successful practices identified in the OECD reports, Effective Inter-Agency Co-Operation in Fighting Tax Crimes and Other Financial Crimes and Improving Co-operation between Tax Authorities and Anti-Corruption Authorities in Combating Tax Crime and Corruption*;
8. We welcome the establishment of the OECD's Latin America Academy for Tax and Financial Crime Investigation in Buenos Aires, Argentina, which will help train our financial crime investigators to pursue tax crimes, corruption and other financial crimes more effectively;
9. We renew our commitment to enhance the foundations of public trust in tax administration and other enforcement bodies by eradicating corruption and ensuring confidentiality of the information obtained by public authorities;
10. We agree to establish national action plans to further these objectives and have our representatives report on the progress made at the next plenary meeting of the Global Forum;
11. As regards the tax challenges of digitalisation, we remain committed to working towards a long-term, consensus-based solution in the BEPS Inclusive Framework.

Signed in Punta del Este, Uruguay; on 19 November 2018,
Done in one original in English and in Spanish.

ANNEX 3

Donors of the Global Forum

Since 2011, the Global Forum has delivered a capacity-building programme to support the implementation and effective use of the two global standards on transparency and exchange of information by its developing members. Our activities are empowering jurisdictions in their fight against tax evasion and other IFFs, and ultimately helping them increase their domestic resource mobilisation.

Our capacity-building programme has developed and expanded over the years. Today, more than half of the Global Forum members are developing countries. The programme aims to ensure that developing jurisdictions are not left behind, and fully

benefit from the remarkable progress achieved in transparency and administrative co-operation in the past decade.

Through awareness raising at political level, training of thousands of officials, the development of tools (e.g. toolkits, e-learning) and high-standard technical assistance, the dynamic of change is progressing and more developing jurisdictions are reaping the benefits of a more transparent tax world.

The delivery of the Global Forum’s capacity-building programme is only made possible thanks to the financial support and the trust of our donor partners.



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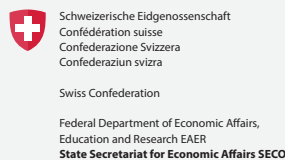
Norway



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