

## STATEMENT OF OUTCOMES

### *Global Forum 10<sup>th</sup> Anniversary Plenary Meeting 26-27 November 2019*

1. On 26-27 November 2019, the Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum) held its largest meeting to date in Paris (France), with attendance of over 500 delegates from more than 140 jurisdictions, international organisations and regional groups. Over 40 delegations were represented at ministerial level. Representatives from the financial services sector, the academic community and the media also participated in the first day of the meeting. This reaffirmed the international community's strong support for the tax transparency agenda and the work carried out by the Global Forum.
2. To mark the Global Forum's 10-year anniversary, on the first meeting day ministers and other high-level representatives recalled the remarkable progress made and the widespread impact the transparency agenda has had in fighting tax evasion and avoidance. Banking secrecy has been consigned to history, and close to 100 jurisdictions are automatically exchanging information on financial accounts each year. Through voluntary disclosure programmes and tax investigations Global Forum members have already identified EUR 102 billion in additional revenues (tax, interest, penalties) and more is to come. This is a clear testament to international cooperation and collaboration in a multilateral context. An overview of the achievements over the past 10 years can be found in the 10th Anniversary Report of the Global Forum.
3. Participants also stressed the work is not yet finished, calling for further advancement of the tax transparency agenda in the coming years. This not only includes ensuring the continuing effectiveness of the Global Forum's transparency standards but some jurisdictions also expressed interest in the Global Forum exploring as possible areas of international tax cooperation the use of tax information to tackle illicit financial flows (IFFs); virtual assets; the exchange of information on request for Value Added Tax (VAT) / Goods and Services Tax (GST) purposes; and cross-border assistance in tax recovery. Participants also emphasised that an integral part of the tax transparency and exchange of information framework is the confidentiality of the information, and jurisdictions should ensure this is maintained at all times.
4. The work of the Global Forum is organised around three pillars: (i) ensuring the effective implementation of the automatic exchange of financial account information (the AEOI Standard); (ii) ensuring the effective implementation of the exchange of information on request (the EOIR Standard); and (iii) providing technical assistance. The detailed outcomes of the meeting for each of these pillars are set out below.

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

5. Last year almost 90 jurisdictions automatically exchanged information on 47 million financial accounts worth approximately EUR 4.9 trillion. 2019 is the third year of exchanges under the AEOI Standard and 94 jurisdictions are now exchanging financial account information. The exchange networks have also been significantly expanded, providing the basis for around 6 100 automatic exchanges in 2019, an increase of 36% compared to the previous year. The 2019 AEOI Implementation Report sets out the details of the status of all jurisdictions implementing the AEOI Standard.

6. In order to ensure a level playing field, all Global Forum members, except developing countries that do not host a financial centre, were asked to commence exchanges under the AEOI Standard by 2018. While the vast majority of jurisdictions have delivered, a few are still experiencing challenges. The Global Forum is working with these jurisdictions to help ensure they commence exchanges.

7. In recognition of their resource constraints and lower risk to the level playing field, developing countries that do not host a financial centre were not asked to exchange by a specific date. Nevertheless, in 2019 three developing countries exchanged information following their voluntary commitment to the AEOI Standard. This number is expected to increase over the coming years, with commitments already made by a further seven developing countries to start exchanges in 2020. The Global Forum is working with more than 30 developing countries to establish a detailed plan of action for implementing the AEOI Standard.

8. A key part of implementing the AEOI Standard is ensuring the information exchanged is kept confidential and properly safeguarded, including in legal terms but also through the policies, procedures and systems used for the exchanges. Such an assessment is made for all jurisdictions before they commence exchanges. The Global Forum has also commenced post-exchange assessments to examine the situation in practice. Where substantive issues are identified, partners are not expected to exchange with the jurisdiction concerned. Global Forum members emphasised the importance of this work and agreed on a work plan to further enhance it.

9. In addition to the delivery of the exchanges, the quality of implementation is crucial. Having already reviewed the domestic and international legal frameworks required to be in place under the AEOI Standard, the Global Forum adopted a process to draw conclusions and make determinations in this respect in 2020. The Global Forum also adopted a process to review the effectiveness of each jurisdiction's implementation of the AEOI Standard in practice by 2021. This includes ensuring that financial institutions are properly implementing the due diligence and reporting requirements. To carry out this work, the Global Forum established the AEOI Peer Review Group (APRG) with a two-year mandate ending on 31 December 2021.

10. Finally, to further ensure a level playing field, the Global Forum analysed whether other jurisdictions would also be relevant for AEOI purposes, and welcomed the commitment from Jordan, Montenegro and Thailand to commence exchanges under the AEOI Standard by 2023. It also welcomed the commitment made by Ecuador to implement the AEOI Standard in time to commence exchanges by 2020.

### Transparency and Exchange of Information on Request (EOIR)

11. The second round of EOIR peer reviews is well underway. In 2019, 23 new reports were published, bringing the number of jurisdictions reviewed so far in the second round to 61. The vast majority of these jurisdictions have been rated Largely Compliant (41) or Compliant (14).

12. The implementation of the standard continues to improve. Where weaknesses are identified, they are generally concentrated around the availability of beneficial ownership information, which was an addition to the standard for the second round, the availability of accounting records and the timeliness of sending full responses to EOI requests. Through its follow-up process, the Global Forum monitors whether recommendations made are addressed, and carries out supplementary reviews

where appropriate to assess the progress made. One such supplementary report was published this year.

### Developments in the Technical Assistance Work

13. The Global Forum's technical assistance work has further expanded in 2019. Delegates welcomed the significant boost to this work through current funding commitments from Australia, France, Japan, Norway, Switzerland and the United Kingdom and the agreement signed at the plenary with the European Union which will allow this important work to continue into 2020 and beyond. In addition, the cooperation between the Asian Development Bank and the Global Forum will be intensified with the intention of delivering even stronger support to Asian-Pacific countries.

### Africa Initiative

14. In the margins of the Plenary meeting, a ministerial dinner was hosted by the Secretary General of the OECD on 25 November to celebrate the 5th Anniversary of the Global Forum's Africa Initiative. On this occasion, 7 Ministers and 13 Heads of delegation from African countries, as well as high-level officials and representatives of partner countries and organisations, had a strategic discussion on the fight against IFFs through exchange of information for tax purposes and the challenges in the tax system, in particular the digital economy.

15. Participants commended the progress already achieved by the countries participating in the Africa Initiative and invited all other African countries to join. The initiative has allowed tax transparency and exchange of information to be used as a leverage for fighting IFFs and to make it a priority in jurisdictions' domestic resource mobilisation strategy. They also called for further actions to facilitate wider use of information exchanged for tax purposes to tackle all forms of IFFs, as well as to promote cross-border assistance in tax collection.

16. Acknowledging that tax transparency contributes to the fight against IFFs, they stressed the need of a political engagement at domestic, regional and global level. In that spirit, they welcomed the African Union Commission (AUC) as an observer to the Global Forum and the strengthening of the existing engagements in the work by regional organisations. In addition, Cabo Verde, Djibouti, Egypt and Kenya recently endorsed the Yaoundé Declaration, bringing the number of African countries calling for advancement of the tax transparency agenda in Africa to 29.

### Punta del Este Declaration – a Latin American initiative

17. The Secretary General of the OECD hosted a high-level breakfast meeting on 26 November for Latin American jurisdictions to take stock of the progress made in respect of the initiative to maximise the effective use of information exchanged under the international tax transparency standards as set out in the Punta del Este Declaration. Participants welcomed the developments which have taken place since the 2018 Global Forum plenary meeting in Uruguay and the adherence to the declaration of three new countries, Brazil, Costa Rica and the Dominican Republic.

18. Participants presented their National Action Plans to achieve this goal and discussed next steps for closer regional cooperation to increase tax transparency and tackle tax evasion. They acknowledged the support from regional partners such as the World Bank, the Inter-American Center of Tax Administrations (CIAT) and the Inter-American Development Bank (IADB). Participants also

called for further actions to facilitate wider use of information exchanged for tax purposes to tackle all forms of IFFs.

### Growing networks

19. The Global Forum also saw its membership grow to 158, welcoming four new members that joined since the last plenary meeting: Guinea, Honduras, Jordan and Namibia. Further, Benin, Bosnia and Herzegovina, Cabo Verde, Mongolia and Oman signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, expanding the worldwide tax information exchange network and getting the total number of jurisdictions participating in this agreement to 135. These growing numbers further close the net around tax evaders.

### Looking Forward

20. The current mandate of the Global Forum ends on 31 December 2020. There was a keen interest in continuing the work on transparency and international tax cooperation beyond this date. In order to ensure the Global Forum remains as relevant as it has been for the past decade in serving its members, due consideration should be given to the future direction. It was therefore agreed to extend the mandate of the Global Forum for two years until 31 December 2022.

21. This extension will allow for a period of reflection on the scope of the future work of the Global Forum to ensure it best supports the implementation of the international standards of transparency and exchange of information for tax purposes. This reflection can also be informed by the completion of the peer reviews of the effective implementation of the AEOI Standard, which are scheduled to be finalised by the end of 2021.

22. Finally, the Global Forum reiterated its resolve to further the international tax cooperation agenda on the basis of a level playing field, which has been at the core of its success.

23. The list of participating Global Forum members and observers can be found in Annex A.

## ANNEX A. LIST OF PARTICIPANTS (MEMBERS AND OBSERVERS ONLY) TO THE GLOBAL FORUM PLENARY MEETING

OECD Conference Centre, Paris (France)

26-27 November 2019

Andorra, Antigua and Barbuda, Argentina, Armenia, Australia, Austria, Azerbaijan, The Bahamas, Bahrain, Barbados, Belgium, Benin, Bermuda, Bosnia and Herzegovina, Botswana, Brazil, Bulgaria, Cabo Verde, Cambodia, Cameroon, Canada, Cayman Islands, Chile, China (People's Republic of), Colombia, Cook Islands, Costa Rica, Côte d'Ivoire, Croatia, Curaçao, Cyprus,<sup>1</sup> Czech Republic, Denmark, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Faroe Islands, Finland, France, Gabon, Georgia, Germany, Ghana, Gibraltar, Greece, Greenland, Guernsey, Guinea, Honduras, Hong Kong (China), Hungary, Iceland, India, Indonesia, Ireland, Isle of Man, Israel, Italy, Jamaica, Japan, Jersey, Jordan, Kazakhstan, Kenya, Korea, Latvia, Lebanon, Lesotho, Liechtenstein, Lithuania, Luxembourg, Madagascar, Malaysia, Maldives, Malta, Marshall Islands, Mauritania, Mauritius, Mexico, Moldova, Monaco, Mongolia, Montenegro, Montserrat, Morocco, Netherlands, New Zealand, Nigeria, Norway, Oman, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Russian Federation, Rwanda, Saint Kitts and Nevis, Samoa, San Marino, Saudi Arabia, Senegal, Serbia, Seychelles, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Turks and Caicos Islands, Uganda, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay.

African Development Bank, African Tax Administration Forum (ATAF), African Union Commission, Asian Development Bank (ADB), Council of Europe Development Bank (CEB), Cercle de Réflexion et d'Échange des Dirigeants des Administrations fiscales (CREDAF), European Commission (EC), European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD), Inter-American Centre for Tax Administration (CIAT), International Finance Corporation (IFC), International Monetary Fund (IMF), Intra-European Organisation of Tax Administrations (IOTA), Organisation for Economic Co-operation and Development (OECD), World Bank Group (WBG).

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<sup>1</sup> Note by Turkey

The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

Note by all the European Union Member States of the OECD and the European Union

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