



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

## **Plenary Meeting**

**20-22 November, 2018**

**Punta del Este, Uruguay**

## **STATEMENT OF OUTCOMES**



## 11<sup>th</sup> Plenary of the Global Forum Statement of Outcomes

1. On 20-22 November 2018, over 200 delegates from more than 100 jurisdictions, international organisations and regional groups came together in Punta del Este, Uruguay, for the 11th annual meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum).

2. The meeting marked the widespread rollout of automatic exchange of financial account information and the growing interest in the benefits of tax transparency and tax cooperation demonstrated by further increase in Global Forum's membership to 154. Since its last plenary seven new members have joined: Bosnia and Herzegovina, Cabo Verde, the Kingdom of Eswatini, Mongolia, Montenegro, Oman and Serbia. The broadening and deepening of international tax cooperation strengthens the ability of the international community to fight tax evasion and avoidance through the implementation of the international standards of exchange of information on request (EOIR) and of automatic exchange of information (AEOI) based on a level playing field.

3. Delegates recognised the key role of tax transparency in assisting governments around the world in enhancing domestic resource mobilisation, and applauded the continuing progress made by Global Forum members towards greater tax transparency. In particular, they:

- Welcomed the 4 500 successful bilateral exchanges made under the new AEOI Standard in 2018 by 86 jurisdictions, containing information about millions of taxpayers worldwide holding financial accounts abroad. While a vast majority of jurisdictions delivered on their commitments to start automatic exchanges in 2018, some jurisdictions still have work to do. Members expect the remaining implementation issues, including putting in place complete international exchange networks to be addressed as soon as possible and exchanges to be more widespread in 2019. Further details of implementation of the AEOI Standard can be found in the 2018 AEOI Implementation Report.
- Adopted detailed Terms of Reference for reviewing the effectiveness in practice of the implementation of the AEOI Standard and the work plan to complete the monitoring and assessments under the Staged Approach in 2019, including on preparations to commence reviews for effectiveness in practice starting in 2020.
- Recognised the progress made in the implementation of the EOIR Standard through the publication of reports on 23 jurisdictions under the second round of peer reviews of EOIR in 2018, totalling 39 since this round commenced. Whilst jurisdictions are showing continuous progress in the effective implementation of the EOIR Standard, challenges remain with respect to the availability of beneficial ownership information.
- Restated the importance of the Global Forum's technical assistance work to ensure that developing countries can fully benefit from tax transparency, including through making progress towards AEOI. Delegates welcomed the support received from donors and the effective cooperation with international organisations and regional partners.



4. Further details on the outcomes of the meeting are set out below.

### Automatic Exchange of Information (AEOI)

5. Following the first exchanges by the early adopters in 2017, the delivery of commitments to commence automatic exchanges in 2018 by 86 jurisdictions is a major success and marks the start of a new era in tax transparency where governments are much better equipped to ensure compliance by their taxpayers. In order for the AEOI Standard to be effective, it must be implemented on the basis of a level playing field and exchanges must take place with all interested and appropriate partners. It is therefore important that the issues causing delays for the 14 jurisdictions that have not yet commenced exchanges are addressed as soon as possible and more widespread exchanges take place in 2019. The second comprehensive report setting out the details of the implementation status of those jurisdictions committed to implement the AEOI Standard has now been published.<sup>1</sup>

6. During the implementation phase of the AEOI Standard, the Global Forum ensured a level playing field by closely monitoring the delivery of all the key milestones and providing assistance where required. It is also on schedule to complete an assessment of the domestic legislative frameworks of all committed jurisdictions by the end of 2018 as part of the Staged Approach.

7. Now that exchanges have started for the vast majority of committed jurisdictions, the challenge will be to ensure the AEOI Standard operates effectively in practice. This includes ensuring that financial institutions are complying with the reporting and due diligence obligations. As a first step, the Global Forum adopted the Terms of Reference to assess the effectiveness of the implementation of the AEOI Standard in practice, as well as a high-level framework to further develop, test and refine its approach to carrying out the assessments. The Global Forum tasked its AEOI Group to further develop this framework and deliver a finalised Methodology in 2019 so that the subsequent peer reviews can commence in 2020.

8. With respect to the confidentiality and data safeguards requirements, a key prerequisite for receiving information under the AEOI Standard, the Global Forum agreed on an assessment process going forward. This process builds on the preliminary assessments that have already been carried out in this respect in relation to all jurisdictions exchanging information as part of the Staged Approach and is designed to ensure that jurisdictions meet the requirements on an ongoing basis.

9. With exchanges gaining speed, developing countries are also making progress towards the implementation of the AEOI Standard. On the basis of the Global Forum's *Plan of Action for Developing Countries Participation in AEOI* (2017) all developing country members were invited to undergo a preliminary assessment of their capacity for implementing the AEOI Standard and prepare a detailed plan of action. Nearly two dozen members have already engaged in this work. In addition, five bilateral pilot projects between developing countries and their more experienced peers are underway, i.e. Albania and Italy;

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<sup>1</sup> 2018 AEOI Implementation Report: <http://www.oecd.org/tax/transparency/AEOI-Implementation-Report-2018.pdf>



Georgia and Germany; Ghana and the United Kingdom; Morocco and France; and the Philippines and Australia. The pilot project between Colombia and Spain concluded successfully with Colombia exchanging information under the AEOI Standard in September 2017, as has the pilot project between the United Kingdom and Pakistan, with Pakistan commencing exchanges in 2018.

### Exchange of Information on Request (EOIR)

10. The second round of EOIR peer reviews is progressing with the publication in 2018 of 22 new EOIR reports and a first supplementary report recording progress made. In many cases, jurisdictions demonstrated improvements since their first review, with the passing of required amendments to their legal framework or improvements in the practice of responding to requests for information. However, in several reviews a weakness on availability of beneficial ownership information, which is a focus of the second round, was identified.

11. It is also becoming clear that EOIR is increasing in volume as members draw benefits of the greater transparency worldwide. Exchanges under the AEOI Standard and measures implemented to address BEPS are also resulting in more complex EOI requests, including group requests, providing evidence of the importance of the EOIR Standard as the foundation of global tax transparency.

12. More than 30 EOIR reviews are ongoing. These include the reviews on 13 of the jurisdictions that underwent a Fast-Track review in 2017 to allow for the quick recognition of improvements made in order to answer the call from the G20 to upgrade their Global Forum EOIR rating. These jurisdictions will receive their ratings under the new round next year.

### Securing a Level Playing Field

13. In addition to its peer review processes, the Global Forum secures a level playing field through identifying jurisdictions that may be relevant to the work of the Global Forum and the effectiveness of tax transparency but that have not yet committed to implement the tax transparency standards. In 2018, the Global Forum identified Jordan as a jurisdiction of relevance for EOIR purposes, inviting it to join the Global Forum and commit to the EOIR Standard. It also welcomed the commitment made by Kazakhstan and Oman to implement the AEOI Standard in time to commence exchanges by 2020.

### Technical Assistance

14. Members commended the technical assistance work carried out to support jurisdictions in implementing the EOIR and AEOI standards effectively. With the growth in membership this work has grown enormously, and is a truly combined effort of the Global Forum, donors, other international organisations and regional groups, working together towards a common goal.

15. Delegates reaffirmed their commitment to enabling developing countries, which now constitute a majority of Global Forum members, to take advantage of the progress made in



improving availability and access to information, including through automatic exchange of information.

16. They welcomed the growing political support for the international standards in developing countries, highlighting the remarkable success of the Yaoundé Ministerial Declaration, which now has 23 signatories.<sup>2</sup> They stressed that the assistance provided by the Global Forum fits into a broader tax and development agenda by generating positive spill-overs which benefit tax administrations as a whole and that also go beyond the tax context, e.g. reliable beneficial ownership information which is critical also for anti-money laundering purposes.

17. Recognising that technical assistance resources need to be adequate and that capacity development takes time, members welcomed the additional voluntary financial contributions made or pledged in 2018 by Australia, France, Japan, Norway, Switzerland, the United Kingdom, the European Union and the Inter-American Development Bank to fund this work. They encouraged all members to consider how they could collaborate more closely in providing technical assistance to developing countries including through peer to peer learning.

### Maximising the benefits of tax transparency

18. Increased tax transparency and information exchange makes available information that is instrumental to counter tax evasion, which in turn enhances domestic resource mobilisation and assists in fighting illicit financial flows. Members noted that financial crimes are becoming increasingly sophisticated and often involve more than one offence, which means that multiple government agencies may be involved in their investigation and hold relevant information. They discussed the possibilities for domestic inter-agency cooperation to enhance the effectiveness of enforcement, taking into account that sharing information obtained through international tax information exchange is subject to certain conditions, including ensuring the confidentiality of the information received.

19. They commended the Punta del Este Declaration<sup>3</sup> which sets up a Latin American initiative to maximise the effective use of the information exchanged under the international tax transparency standards to not only tackle tax evasion and avoidance, but also corruption and other financial crimes using the full range of possibilities under the relevant international agreements. This initiative will improve international tax cooperation to counter practices contributing to all forms of financial crimes, improve direct access to information of common interest to all relevant agencies, and set out a vision for further strengthening international collaboration.

### Looking Forward: The Upcoming 10th Anniversary and a New Mandate

20. Delegates welcomed the work which has been carried out so far in assessing the global benefits of tax transparency and analysing the impact on taxpayer behaviour and

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<sup>2</sup> <http://www.oecd.org/tax/transparency/yaounde-declaration.pdf>.

<sup>3</sup> <http://www.oecd.org/tax/transparency/Latin-American-Ministerial-Declaration.pdf>.



revenue gains. They called for further work in this area and reiterated their readiness to assist in the process.

21. In light of the upcoming 10<sup>th</sup> anniversary of the Global Forum in 2019, members acknowledged the key role played by the Global Forum in the effective implementation of the tax transparency standards across the globe. The progress made since 2009 will be celebrated at the Global Forum's 2019 plenary to recognise the global benefits delivered over the last 10 years.

22. Next year's plenary will also be an opportunity to reflect on the future work of the Global Forum. The Global Forum invited its Steering Group to consider the priorities, goals and challenges ahead to propose the scope of the ongoing work and the post-2020 mandate.

23. Delegates expressed their warm appreciation for the work of the Head of the Global Forum Secretariat, Ms. Monica Bhatia, who will leave her position in early 2019. Over the past seven years she has worked to extend the benefits of tax transparency to developing countries and supported the implementation of automatic exchange of financial account information in more than 100 jurisdictions around the world.

24. Finally, the Global Forum thanked the Government of Uruguay for its generous hospitality. The full list of participants can be found in Annex A.



## Annex A. List of participants to the Global Forum meeting

### Punta del Este, Uruguay

20-22 November 2018

Andorra, Antigua and Barbuda, Argentina, Australia, Austria, Azerbaijan, The Bahamas, Bahrain, Barbados, Belgium, Belize, Bermuda, Brazil, British Virgin Islands, Bulgaria, Cabo Verde, Cambodia, Canada, Cayman Islands, Chile, China (People's Republic of), Colombia, Cook Islands, Costa Rica, Curaçao, Denmark, Dominican Republic, Ecuador, El Salvador, Kingdom of Eswatini, Faroe Islands, Finland, France, Georgia, Germany, Gibraltar, Greece, Guernsey, Haiti, Hong Kong (China), Hungary, India, Indonesia, Ireland, Isle of Man, Italy, Jamaica, Japan, Jersey, Kenya, Korea, Kuwait, Latvia, Liechtenstein, Lithuania, Luxembourg, Madagascar, Malaysia, Malta, Marshall Islands, Mauritius, Mexico, Monaco, Morocco, Netherlands, New Zealand, Nigeria, Norway, Oman, Panama, Paraguay, Peru, Poland, Portugal, Qatar, Samoa, San Marino, Saudi Arabia, Senegal, Seychelles, Singapore, Spain, Sweden, Switzerland, Trinidad and Tobago, Turks and Caicos Islands, Uganda, United Kingdom, United States, Uruguay.

African Tax Administration Forum (ATAF), Asian Developing Bank (ADB), European Commission (EC), European Investment Bank (EIB), Financial Action Task Force (FATF), Inter-American Center of Tax Administrations (CIAT), Inter-American Development Bank (IADB), Inter-European Organisation of Tax Administrations (IOTA), International Finance Corporation (IFC), Organisation for Economic Co-operation and Development (OECD), World Bank Group (WBG).