



UNIVERSITY OF
TORONTO

MUNK
SCHOOL
OF
GLOBAL
AFFAIRS

Join the Global Conversation

G7 Research Group

The
G7 Research Group
at the Munk School of Global Affairs at Trinity College in the University of Toronto
presents the

2015 Schloss Elmau G7 Summit Interim Compliance Report

9 June 2015 to 20 February 2016

Prepared by
Michael Humeniuk, Jerome Newton, Christian Medeiros and Kaleem Hawa
with Caroline Bracht
G7 Research Group, University of Toronto

30 March 2016

www.g7.utoronto.ca
g8@utoronto.ca
[@g7_rg](#) and [@g8rg](#)

“We have meanwhile set up a process and there are also independent institutions monitoring which objectives of our G7 meetings we actually achieve. When it comes to these goals we have a compliance rate of about 80%, according to the University of Toronto. Germany, with its 87%, comes off pretty well. That means that next year too, under the Japanese G7 presidency, we are going to check where we stand in comparison to what we have discussed with each other now. So a lot of what we have resolved to do here together is something that we are going to have to work very hard at over the next few months. But I think that it has become apparent that we, as the G7, want to assume responsibility far beyond the prosperity in our own countries. That’s why today’s outreach meetings, that is the meetings with our guests, were also of great importance.”

Chancellor Angela Merkel, Schloss Elmau, June 8, 2015

Contents

Preface	3
Executive Summary	5
Table A: 2015 Priority Commitments Selected for Assessment.....	6
Table B: 2015 Interim G7 Schloss Elmau Compliance Scores.....	7
Table C: 2015 Interim G7 Schloss Elmau Compliance Scores by Country.....	8
Table D: 2015 Interim G7 Schloss Elmau Compliance Scores by Commitment	8
1. Macroeconomic Policy: Foster Growth	9
2. Infrastructure: Infrastructure Investment.....	17
3. Climate Change: Growth Agenda	24
4. Financial Regulation: Tax Agenda.....	33
5. Nonproliferation: Arms Trade	40
6. Regional Security: Ukraine.....	46
7. Regional Security: Maritime.....	54
8. Human Rights: Migrants	63
9. Terrorism: Terrorists' Assets.....	72
10. Health: Coordinated Rapid Deployment	81
11. Health: National Action Plans	91
12. Health: Vaccines	99
13. Climate Change: Low-Carbon Strategies.....	106
14. Climate Change: Copenhagen Accord	117
15. Climate Change: Vulnerable Countries.....	125
16. Energy: Liberalizing Systems	136
17. Food and Agriculture: Voluntary Guidelines on the Responsible Governance.....	151

4. Financial Regulation: Tax Agenda

“We reiterate our commitment to work with developing countries on the international tax agenda”

G7 Schloss Elmau Summit Declaration

Assessment

	Lack of Compliance	Work in Progress	Full Compliance
Canada	-1		
France	-1		
Germany			+1
Italy		0	
Japan			+1
United Kingdom			+1
United States	-1		
European Union			+1
Average		+0.13	

Background

Since the 2013 G8 Lough Erne Summit, the G7/8 has been consistently concerned with tax evasion and profit shifting as inhibitors of economic growth. If the policies and tax laws of one country adversely affect another country’s capability to acquire the taxes that are its due, this is considered to be base erosion and profit shifting (BEPS).¹⁶¹ Since the Lough Erne Summit, it has worked alongside the G20 and Organisation for Economic Co-operation and Development (OECD) to support the OECD’s Action Plan on Base Erosion and Profit Shifting as a primary means of tackling such issues. The action plan, which was produced in the same year, had the express aim of constraining offshore corporate tax evasion, specifically in developing countries.¹⁶² Developing countries are often the most neglected on this issue as the problem “manifest[s] differently given the specificities of their legal and administrative frameworks.”¹⁶³

Both developing and developed countries involved consequently lose out on substantial tax revenue. According to the United Nations Conference on Trade and Development, developing countries lose USD100 billion a year to multinational corporate tax evasion.¹⁶⁴ Taxation, as one of the primary methods for developing countries to accumulate resources for economic development, makes this a significant issue.¹⁶⁵ It also fosters an imperfect competition, an issue specifically for developed countries, as businesses may move their headquarters from one country to another, in order to benefit from less stringent tax laws and regulations.¹⁶⁶

¹⁶¹ “Subcommittee on Base Erosion and Profit Shifting Issues for Developing Countries.” Financing for Development (2014): n. pag. Un.org. United Nations. Web. 20 Jan. 2016. http://www.un.org/esa/ffd/tax/BEPS_note.pdf.3

¹⁶² “International Tax: OECD and G20 BEPS Action Plan Overview.” Osler, Hoskin & Harcourt LLP. Osler, n.d. Web. 20 Jan. 2016. <https://www.osler.com/en/expertise/in-focus/international-tax-oecd-and-g20-beps-action-plan-o>.

¹⁶³ “Subcommittee on Base Erosion and Profit Shifting Issues for Developing Countries.” Financing for Development (2014): n. pag. Un.org. United Nations. Web. 20 Jan. 2016. http://www.un.org/esa/ffd/tax/BEPS_note.pdf. 3

¹⁶⁴ Ploumen, Lilliane. “Why Developing Countries Need to Toughen up on Taxes.” Theguardian.com. The Guardian, 7 July 2015. Web. 20 Jan. 2016. <http://www.theguardian.com/global-development/2015/jul/07/why-developing-countries-need-to-toughen-up-taxes-sdgs>.

¹⁶⁵ “United Nations Handbook on Selected Issues in Protecting the Tax Base of Developing Countries.” (n.d.): lii-568. Department of Economic and Social Affairs. United Nations, June 2015. Web. 20 Jan. 2016. <http://www.un.org/esa/ffd/wp-content/uploads/2015/07/handbook-tb.pdf>, iii

¹⁶⁶ “Subcommittee on Base Erosion and Profit Shifting Issues for Developing Countries.” Financing for Development (2014): n. pag. un.org. United Nations. Web. 20 Jan. 2016. http://www.un.org/esa/ffd/tax/BEPS_note.pdf, 3

While tax havens are still a major issue, Oxfam labelled such havens as the “core of a global system that allows large corporations ... to avoid paying their fair share.”¹⁶⁷ The situation has brightened since 2013. The Financial Secrecy Index has shown that many of these tax havens have considerably improved their regulations and transparency.¹⁶⁸

Commitment Features

The commitment describes the G7 leaders’ willingness to discuss and cooperate with developing countries on the international tax agenda. Although the commitment may seem to be vaguely worded, this commitment to cooperation is addressed in the same communiqué. Measures that encourage the automatic exchange of information on cross-border tax rulings or that promote improvement to existing international information networks, with regards to developing countries, are considered relevant. However, merely urging countries that may have yet to implement an international standard for the exchange of information related to taxation is not relevant and does not constitute a satisfaction of this commitment.

The Leaders’ Declaration refers specifically to the OECD’s BEPS plan and the need for rapid implementation of the global standard for automatic exchange of information, with regards to all matters pertinent to tax. Therefore measures that promote or address the actions within the BEPS plan or help with the implementation of the global standard for automatic exchange of information, within the context of developing countries are relevant. Some actions within the BEPS plan are as follows: address tax challenges of the digital economy, strengthen controlled foreign company rules, and limit base erosion via interest deductions and other financial payments.¹⁶⁹ Finally, any G7 member’s assistance towards building developing countries’ tax administration capacities is considered relevant.

The leaders’ commitment to a “work with developing countries on the international tax agenda” implies that full compliance constitutes measures that encourage improvements to existing international information networks and that promote and/or implement the BEPS plan. Partial compliance would occur if a member country introduced new measures that improved existing international information networks (including the exchange of information on cross-border tax rulings) but did not promote and/or implement the BEPS plan.

Scoring Guidelines

-1	Members introduce no new measures that encourage the automatic exchange of information on cross-border tax rulings and improve existing international information networks AND does not act to further the promotion or implementation of the OECD BEPS plan.
0	Members introduce new measures that encourage the automatic exchange of information on cross-border tax rulings and improve existing international information networks BUT does not act to further the promotion or implementation of the OECD BEPS plan.
+1	Members that actively engage in the promotion or implementation of the OECD BEPS plan.

Lead Analyst: Ben Fickling

Canada: -1

Canada has not complied with its commitment on the international tax agenda.

Although Canada committed itself at the Elmau Summit in the Leaders’ Declaration to actively engaging in the promotion and implementation of the Organisation for Economic Co-operation and Development’s Action Plan on Base Erosion and Profit Shifting (BEPS), no action has yet to be seen.

¹⁶⁷ Cohen, Patricia. “Wealth Inequality Rising Fast, Oxfam Says, Faulting Tax Havens.” *Nytimes.com*. New York Times, 18 Jan. 2016. Web. 20 Jan. 2016. http://www.nytimes.com/2016/01/19/business/economy/wealth-inequality-rising-fast-oxfam-says-faulting-tax-havens.html?ref=topics&_r=0.

¹⁶⁸ “The Mega-haven.” *The Economist*. The Economist Newspaper, 07 Nov. 2015. Web. 20 Jan. 2016. <http://www.economist.com/news/finance-and-economics/21677647-index-financial-secrecy-highlights-american-hypocrisy-mega-haven>.

¹⁶⁹ “Action Plan on Base Erosion and Profit Shifting.” OECD Publishing, 19 July 2013. Web. 6 Feb. 2016. <http://www.oecd.org/ctp/BEPSActionPlan.pdf>, 13-24.

According to a February 2016 article by KPMG International, Canada has no “comprehensive statement” in regards to its plans to further promote or implement the OECD Action Plan.¹⁷⁰

In November 2015, Canada participated in the G20 summit in Antalya, Turkey, a forum in which BEPS was central topic of discussion.¹⁷¹ In Lima, Peru, finance ministers finalized a number of measures for reform to tackle tax avoidance.¹⁷² However, there is little evidence that Canada has taken action with respect to the international tax agenda.

Therefore, Canada has been awarded the score of -1.

Analyst: Ben Fickling

France: -1

France has not complied with its commitment on the international tax agenda.

There has been little legislation in France to implement the Organisation for Economic Co-operation and Development’s (OECD) Action Plan on Base Erosion and Profit Shifting (BEPS).

France has made minimal contributions towards tax systems in developing countries. However, the French Ministry of Foreign Affairs has conducted research in evaluating the taxation systems in Benin, Cameroon, Ghana, Mali and Mauritania.¹⁷³ Furthermore, France is constantly a part of the dialogue regarding the international tax agenda and has hosted conferences.¹⁷⁴

France has not provided financial aid to develop taxation systems in developing countries. Nevertheless, France had investigated developing states to identify where there could be improvements on their taxation system. Little to no evidence demonstrates that France took action to enforce measurable change in developing states taxation systems.

France therefore received a score of -1.

Analyst: Sabal Matter Al-Khateeb

Germany: +1

Germany has fully complied with its commitment on the international tax agenda. It has succeeded in enacting a legislative framework for the automatic exchange of tax information domestically and taken steps to promote it among non-signatory jurisdictions.

On 13 July 2015, Germany launched the Addis Tax Initiative in cooperation with the United Kingdom, the United States, the Netherlands, Ethiopia and Kenya.¹⁷⁵ The initiative assists participating countries to enact reforms that build the fairness, transparency and efficiency of their tax systems. This includes “enabling

¹⁷⁰ 2016 Federal Budget- What Tax Changes are in Play? 10 February 2016. Date of Access: 20 February 2016.

<https://www.kpmg.com/Ca/en/IssuesAndInsights/ArticlesPublications/TNF/Documents/tnfc1607.pdf>

¹⁷¹ Canada to join G20 effort to limit ‘profit shifting’ by multinationals, 13 November 2015. Date of Access: 20 February 2016.

<http://www.theglobeandmail.com/news/politics/canada-to-join-g20-effort-to-limit-profit-shifting-by-multinationals/article27261166/>

¹⁷² BEPS 2015 Final Report. Date of Access: 20 February 2016. <http://www.oecd.org/tax/beps-2015-final-reports.htm>

¹⁷³ OECD Document i. GOVERNANCE, TAXATION AND ACCOUNTABILITY: ISSUES AND PRACTICE. 2 April 2008. Date of Access: 5 February 2016 <http://www.oecd.org/development/governance-peace/governance/docs/39440469.pdf>

¹⁷⁴ OECD Website i. Tax and Development Programme. Date of Access: 5 February 2016 <http://www.oecd.org/ctp/tax-global/taxanddevelopment.htm>

¹⁷⁵ UK partners with Ghana on tax transparency, Department for International Development, HM Treasury Press Release, (London) 6 August 2015. Date of Access: 22 January 2016. <https://www.gov.uk/government/news/uk-partners-with-ghana-on-tax-transparency>

partner countries take advantage of the progress made on the international tax agenda, such as ... tax information exchange including automatic exchange of information (AEOI).¹⁷⁶

On 15 July 2015, Germany's federal cabinet "adopted two draft bills that will enable Germany to exchange financial account information in tax matters automatically with other EU member states and non-EU countries from 2017 onwards."¹⁷⁷ The bills set out details for the exchange of tax information within Germany and align Germany's EU Mutual Assistance Act with the EU's adoption of the Common Reporting Standard (CRS) in late 2014.

On 18 December 2015, Germany's Bundesrat approved the *Law on the Automatic Exchange of Information in Financial Accounts in Tax Matters and on the Amendment of other Acts*, implementing into German law the OECD Common Reporting Standard.¹⁷⁸ The legislation, which came into effect on 31 December 2015, obliges Germany to conduct the first exchanges of tax information with EU members and third countries by 31 July 2017.¹⁷⁹

Germany had created an educational program for tax professionals in African countries — "Executive Master's in Taxation." The purpose of this program is to educate tax professionals in which they can be agents of change in their respective countries to enact tax reforms.¹⁸⁰ The "Executive Master's in Taxation" had been created through the relationship between the African Tax Administration Forum (ATAF) and the Berlin School of Economics and Law (BSEL), the Federal Ministry for Economic Cooperation and Development (BMZ).¹⁸¹

Therefore, Germany has received a score of +1.

Analyst: Sabal Matter Al-Khateeb

Italy: 0

Italy has partially complied with its commitment on the international tax agenda.

The peer review of Italy published by the Organisation for Economic Co-operation and Development (OECD) indicated that Italy promotes transparency in regards to the "OECD Tax and Development Informal group and the Global Forum on Transparency and Exchange of Information for Tax Purposes."¹⁸²

Italy is undergoing the process of implementing information sharing in terms of taxation. Legislation had been approved for exchange of information as Italy implemented the Directive on Administrative Cooperation and Mutual Assistance and Common Reporting Standard of 1 January 2016.¹⁸³ However, the first exchange of information is planned for September 2017.¹⁸⁴

¹⁷⁶ Financing for Development Conference: The Addis Tax Initiative – Declaration, Tax Compact, 18 October 2015. Date of Access: 13 March 2016. https://www.taxcompact.net/documents/Addis-Tax-Initiative_Declaration.pdf

¹⁷⁷ German government presses forward with fight against tax evasion, Federal Ministry of Finance, Government of Germany (Berlin) 15 July 2015. Date of Access: 2 March 2016. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2015/2015-07-15-fight-against-tax-evasion.html?view=renderPrint>

¹⁷⁸ Germany: New Legislation on the automatic exchange of tax information, Lexology, 18 December 2015. Date of Access: 3 March 2016. <http://www.lexology.com/library/detail.aspx?g=a9bb5530-1637-4b24-9e56-0048c1d8052f>

¹⁷⁹ Germany: New Legislation on the automatic exchange of tax information, Lexology, 18 December 2015. Date of Access: 3 March 2016. <http://www.lexology.com/library/detail.aspx?g=a9bb5530-1637-4b24-9e56-0048c1d8052f>

¹⁸⁰ Executive Masters' in Taxation. News. Date of Access: 5 February 2016 <http://www.emtaxation.org/News.aspx>

¹⁸¹ Executive Masters' in Taxation. News. Date of Access: 5 February 2016 <http://www.emtaxation.org/News.aspx>

¹⁸² TADAT Website i. Overview. Date of Access: 5 February 2016 http://www.oecd.org/dac/peer-reviews/Italy_peerreview2014.pdf

¹⁸³ European Parliament Document i. Tax Rulings and other Measures Similar in Nature or Effect. Date of Access: 5 February 2016 http://www.europarl.europa.eu/meetdocs/2014_2019/documents/taxe/dv/italy_/italy_en.pdf

¹⁸⁴ European Parliament Document i. Tax Rulings and other Measures Similar in Nature or Effect. Date of Access: 5 February 2016 http://www.europarl.europa.eu/meetdocs/2014_2019/documents/taxe/dv/italy_/italy_en.pdf

Italy has acted to implement the OECD BEPS plan, but has not taken substantive steps to promote it in other jurisdictions. Therefore, it has been awarded a score of 0.

Analyst: Sabal Matter Al-Khateeb

Japan: +1

Japan has fully complied with its commitment to work with developing countries on the international tax agenda.

Japan has taken the role as a regional leader in the dissemination of tax infrastructure assistance to developing countries through leading symposiums and constantly updating their advanced exchange of information (EOI) framework for international taxation. Furthermore, Japan has already begun to incorporate the Organisation for Economic Co-operation and Development's (OECD) Action Plan on Base Erosion Profit Shifting Action Plan (BEPS) — especially regarding policies focused on developing countries — and is expected to have full legislation implemented within the year.

Japan has set the standard for the EOI for international tax infrastructure in Asia and the Pacific. Japan was one of the first developed Asia-Pacific countries to give access to its tax system and financial reports to developing countries — passing legislation in 2003 allowing its treaty partners to inspect all economic activity between the parties, and in 2006, giving foreign countries access to Japan's financial records for the purpose of investigating tax crimes.¹⁸⁵ In 2015, Japan held numerous workshops and seminars for developing countries in the Asia-Pacific region, providing instruction on how to better access Japan's tax information, and also increasing its availability. As a result, the OECD gave Japan an overall compliance score full compliance for 2015 in terms of access, availability, and exchange of tax information.¹⁸⁶

Japan has also directly contributed to developing countries ability to improve tax infrastructure within their jurisdictions in order to avoid becoming a tax haven. In April 2015, Japan's Ministry of Finance and the International Monetary Fund hosted a workshop providing resources for the finance ministers of Asian countries on for improving tax infrastructure and corporate finance transparency.¹⁸⁷ This commitment continued after the Elmau Summit, with the Japanese National Tax Agency funding a November 2015 Asian Development Bank workshop on detecting tax evasion for developing countries across Asia and the Pacific.¹⁸⁸

While not fully legislated yet, Japan's proactive efforts of incorporating BEPS into its tax system is strong indicator that Japan will be fully compliant with its BEPS commitment on schedule. Japan is expected to formalize BEPS legislation by 2017, yet it has already included a number of BEPS recommendations in its 2015 tax reform package, including measures addressing tax avoidance in digital transactions — a tax area for which many developing countries struggle to maintain.¹⁸⁹ Japan's efforts to prepare their tax structure in anticipation of BEPS, especially in the realm of international tax avoidance, has led Ernst and Young to give Japan a full compliance score for their 2015 BEPS commitment.¹⁹⁰

Japan's proactive measures to curtail international tax avoidance in developing countries in 2015 has made the country the model for promoting the international tax agenda in the Asia-Pacific region. Furthermore, the

¹⁸⁵ "Exchanging Information to Combat Tax Evasion." adb.org. The Asian Development Bank Institute. May 2015. Web. 2 Feb. 2016. <http://www.adb.org/sites/default/files/publication/160573/adbi-pb2015-3.pdf>.

¹⁸⁶ "Tax Transparency 2015: Report on Progress." OECD.org. The OECD. 30 Oct. 2015. Web. 2 Feb. 2016. Pp. 26, 57. <http://www.oecd.org/tax/transparency/global-forum-annual-report-2015.pdf>.

¹⁸⁷ "The Sixth IMF-Japan High-Level Tax Conference for Asian Countries." IMF.org. International Monetary Fund. 9 Apr. 2015. Web. 2 Feb. 2016. <http://www.imf.org/external/np/seminars/eng/2015/asiatax/>.

¹⁸⁸ "Workshop: Detecting Cross-Border Tax Evasion." adb.org. The Asian Development Bank. 10 Nov. 2015. Web. 2 Feb. 2016. <http://www.adb.org/news/events/workshop-detecting-cross-border-tax-evasion>.

¹⁸⁹ "Japan's Approach to BEPS Issues." Deloitte.com. Asia Pacific Thought Leadership. Oct. 2015. Web. 2 Feb. 2016. <https://www2.deloitte.com/content/dam/Deloitte/tw/Documents/tax/beps/tw-tp-board4-jp.pdf>.

¹⁹⁰ "Country Implementation of BEPS Actions 8-10 and 13." EY.com. Ernst and Young. Aug. 2015. Web. 2 Feb. 2016. P. 19. [http://www.ey.com/Publication/vwLUAssets/ey-country-implementation-of-beps-actions-8-10-and-13-august-2015/\\$FILE/ey-country-implementation-of-beps-actions-8-10-and-13.pdf](http://www.ey.com/Publication/vwLUAssets/ey-country-implementation-of-beps-actions-8-10-and-13-august-2015/$FILE/ey-country-implementation-of-beps-actions-8-10-and-13.pdf).

country has made clear indication that they will further expand their role in the near future as Finance Minister Taro Aso has called for a more rapid implementation of BEPS.¹⁹¹

Therefore, Japan has been awarded a score of +1 for this commitment.

Analyst: Aidan Robern

United Kingdom: +1

The United Kingdom has fully complied with its commitment by actively engaging in the promotion and implementation of the Organisation for Economic Cooperation and Development's (OECD) Action Plan on Base Erosion and Profit Shifting (BEPS).

The UK has introduced anti-hybrid rules for corporation tax.¹⁹² Current corporation tax laws allow large multinational organizations with UK parent or subsidiary companies to have tax mix matches or lower taxes. The aim of the anti-hybrid laws is to create hybrid arrangements by changing the tax treatment of either the payment or the receipt. These new rules will neutralize the tax effect of hybrid mismatch arrangements in accordance with the recommendations of Action 2 of the G20/OECD Base Erosion and Profit Shifting Plan.¹⁹³ This measure will affect businesses that use artificially contrived tax planning arrangements to exploit mismatches in international tax systems.

Lastly, the UK has actively engaging in the promotion and implementation of the OECD Base Erosion and Profit Shifting Plan through various smaller measures. In developing countries such as Ghana, the United Kingdom helped tackle tax avoidance by working with them to improve their tax rules and infrastructure.¹⁹⁴ Moreover, the UK worked closely with the EU to establish a process for tax authorities to exchange information on the tax affairs of large multinational companies.¹⁹⁵ Chancellor of the Exchequer George Osborne stated that: 1) The UK has led campaigns to change the international tax system and consequently, countries across the world are much better equipped to deal with corporate tax avoidance; 2) the UK has consistently demonstrated its commitment to tackling the OECD Base Erosion and Profit Shifting Plan and will continue to introduce new international and domestic tax laws; and 3) the UK government will work closely with the G20 and other international partners to update international tax treaties.¹⁹⁶

The United Kingdom has consistently demonstrated its commitment to tackling the OECD Base Erosion and Profit Shifting Plan. The have introduced several innovative domestic and international tax legislations, helped developing countries with their own infrastructures and addressed the issues of tax avoidance.

For these reasons, the United Kingdom has been awarded a score of +1.

Analyst: Navmeet Jassal

¹⁹¹ "Statement by Minister Aso on the publication of the final BEPS Action Plan." Mof.go.jp. The Ministry of Finance. 5 Oct. 2015. Web. 4 Feb. 2016. https://www.mof.go.jp/english/tax_policy/others/20151005.htm.

¹⁹² Corporation Tax: anti-hybrid rules, From HM Revenues and Customs (United Kingdom) 22 December 2015. Date of Access: 05 February 2016. <https://www.gov.uk/government/publications/corporation-tax-anti-hybrid-rules/corporation-tax-anti-hybrid-rules>

¹⁹³ Corporation Tax: anti-hybrid rules, From HM Revenues and Customs (United Kingdom) 22 December 2015. Date of Access: 05 February 2016. <https://www.gov.uk/government/publications/corporation-tax-anti-hybrid-rules/corporation-tax-anti-hybrid-rules>

¹⁹⁴ UK leads international efforts to clampdown on tax avoidance, From Treasury and The Rt Hon George Osborne MP (United Kingdom) 9 October 2015. Date of Access: 03 February 2016. <https://www.gov.uk/government/news/uk-leads-international-efforts-to-clampdown-on-tax-avoidance>

¹⁹⁵ UK leads international efforts to clampdown on tax avoidance, From Treasury and The Rt Hon George Osborne MP (United Kingdom) 9 October 2015. Date of Access: 03 February 2016. <https://www.gov.uk/government/news/uk-leads-international-efforts-to-clampdown-on-tax-avoidance>

¹⁹⁶ UK leads international efforts to clampdown on tax avoidance, From Treasury and The Rt Hon George Osborne MP (United Kingdom) 9 October 2015. Date of Access: 03 February 2016. <https://www.gov.uk/government/news/uk-leads-international-efforts-to-clampdown-on-tax-avoidance>

United States: –1

The United States has not complied with its commitment to work with developing countries on the international tax agenda.

The United States has not introduced any new measures that encourage the automatic exchange of information on cross-border tax rulings and improve existing international information networks and does not act to further the promotion or implementation of the Organisation for Economic Co-operation and Development's Action Plan on Base Erosion and Profit Shifting.

Since Germany's 2015 Elmau Summit, the United States has not complied with the commitment of financial regulation. Information on this topic is not readily available on United States government websites or on other credible and publicly available resources.

For these reasons, the United States has been awarded as score of –1.

Analyst: Navmeet Jassal

European Union: +1

The European Union has fully complied with its commitment on financial and tax regulation.

In October 2015, the EU welcomed the final package of the Action Plan on Base Erosion and Profit Shifting (BEPS) from the Organisation for Economic Co-operation and Development (OECD), the same day the OECD adopted the reforms. Pierre Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs, stated in a press release that he will work with EU member states to ensure the final BEPS package is implemented in their single European market.¹⁹⁷

In January 2016 the EU announced new measures aimed at curbing tax evasion, primarily within the EU, but also with an eye to developing countries. Indeed, the website dedicated to describing the measures states: "Developing countries should also be included in the international tax good governance network, so that they can benefit from the global fight against tax avoidance too."¹⁹⁸ Furthermore, in the communicative materials for the tax evasion measures, the document states, among its proposals: "Assistance to developing countries."¹⁹⁹

Therefore the EU received a score of +1 for complying with the commitment on financial and tax regulation.

Analyst: Justin Bedi

¹⁹⁷ Fighting Tax Avoidance: Commissioner Moscovici welcomes final adoption of international tax reform package, European Commission, 5 October 2015. Access Date: 31 January 2016. http://europa.eu/rapid/press-release_STATEMENT-15-5773_en.htm

¹⁹⁸ Fair Taxation: Commission presents new measures against corporate tax avoidance, European Commission, 28 January 2016. Access Date: 31 January 2016. http://ec.europa.eu/malta/news/tassazzjoni-%C4%A1usta-il-kummissjoni-tippre%C5%BCentami%C5%BCuri-%C4%A1odda-kontra-l-evitar-tat-taxxa_en

¹⁹⁹ Tackling Tax Avoidance, European Commission, 28 January 2016. Access Date: 31 January 2016. <file:///C:/Users/hp/Downloads/Anti%20Tax%20Avoidance%20Package%20Factsheet.pdf>