OECD SECRETARY-GENERAL REPORT TO G20 LEADERS

Brisbane, Australia
November 2014

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This report consists of two parts. Part I is a report by the OECD Secretary-General regarding (A) the G20/OECD Base Erosion and Profit Shifting (BEPS) Project; (B) the single global common standard on Automatic Exchange of Information (AEOI); and (C) Tax and Development. Part II is a Progress Report to the G20 by the Global Forum on Transparency and Exchange of Information for Tax Purposes.

Executive Summary

Tackling tax issues, the OECD and the G20 have worked hand in hand over the past 5 years and the result has been historic reforms to the international tax system which are already having a real effect on the ground. From eliminating strict banking secrecy, to improved tax transparency through stronger international cooperation, and most recently, addressing the type of tax avoidance which sees multi-nationals' profits separated from the underlying economic activity and value creation, we delivered on the G20 Leaders' call to restore integrity to, and trust in, our tax systems. This is a central component in the framework for building resilient and balanced global growth.

In September, we presented the first deliverables of the Base Erosion and Profit Shifting Project to the G20 Finance Ministers. These first results, delivered by the 44 countries, including all the G20 and OECD members, acting on an equal footing, address issues such as tax treaty abuse, hybrid mismatches that result in double non-taxation, spontaneous exchange of tax rulings, requirements for country by country reporting by multinationals on key indicators, as well as an agreed approach to the tax challenges of the digital economy. The report also looks forward to how we can best ensure consistent implementation of the BEPS measures. In this regard, tax administrations have a critical role to play, and the Commissioners of the 46-member Forum on Tax Administration met in Dublin in October and agreed to step-up their work to ensure further coordination and collaboration on compliance activities on entities and individuals involved in cross-border tax arrangements.

It is clear now to all stakeholders that the OECD/G20 BEPS Project is leading to concrete change. However, it is also time to better engage developing countries so that their concerns can be addressed. As the work continues, your support is crucial to guarantee that in 2015 we deliver a holistic package that addresses the gaps and mismatches which have facilitated tax planning strategies that result in double non-taxation.

We have also seen a sea change in the tax transparency environment since 2009, when bank secrecy was the rule in many countries. Following the Leaders' call to end bank secrecy, exchange of information on request became the globally agreed upon standard and has been quickly implemented with more than 3 000 agreements signed. We have now moved towards automatic exchange of information: 93 jurisdictions have already committed to implementing by 2017 or 2018 the Automatic Exchange of Information (AEOI) standard that the OECD has developed with all G20 countries. This robust standard will allow for tracking income and offshore assets. The imminent implementation of AEOI is pushing up voluntary disclosures by tax evaders which have already yielded 37 billion euros of additional revenue in around 25 OECD and G20 countries that have put in place these initiatives.

The Global Forum on Transparency and Exchange of Information in Tax Matters, which was restructured at the end of 2009 to review the proper implementation of the exchange of information on request standard, will also be in charge of monitoring the implementation of the new AEOI standard. The Global Forum now includes 123 members and has delivered more than 150 peer review reports. Overall ratings on implementation have been allocated to 71 jurisdictions, revealing the following results: 20 jurisdictions are "Compliant", 38 jurisdictions are "Largely Compliant", 9 jurisdictions are "Partially Compliant" and 4 jurisdictions remain "Non-Compliant". In 2015, we will report back on tougher incentives for those jurisdictions which are non-compliant, or which have failed to move beyond the first phase of the Global Forum reviews.

The Global Forum will also monitor commitments to AEOI going forward. Already 51 jurisdictions signed the multilateral Competent Authority Agreement last October in Berlin as part of putting those commitments into action. This Agreement is based on the multilateral Convention on Mutual Administrative Assistance in Tax Matters which now covers 84 jurisdictions, including many developing countries.

The benefits of these measures are being felt worldwide, and support practical moves for domestic resource mobilisation in developing countries. The Global Forum has established a roadmap to AEOI implementation for developing countries which takes into account their specific circumstances. In Berlin, the Africa Initiative was launched to enable the African continent to seize the opportunities presented by improved global tax transparency.. The effects of base erosion and profit shifting activities can be acute in developing countries, and the next stage of the BEPS Project will see developing countries shift from consultations, to direct engagement in the standard setting process. By working with the other international organisations, like the IMF, the World Bank Group and the UN, as well as regional tax bodies, we are also establishing an inclusive dialogue about the tax priorities faced by developing countries, while drawing on the strengths of these different organisations to best support them.

These major achievements would not have been possible without the political steer from the Leaders of the G20 and their finance ministers. Progress has been significant but much remains to be done on both BEPS and exchange of information, but also in making sure that these standards reflect the views of all countries, including developing countries. The political support of the G20 will be critical in completing this historic reform of the international tax system.

PART I

OECD SECRETARY-GENERAL REPORT

TO THE G20 LEADERS

Base Erosion and Profit Shifting (BEPS)

Automatic Exchange of Information (AEOI)

Tax and Development

A – BASE EROSION AND PROFIT SHIFTING (BEPS)

Overview

In Saint Petersburg in September 2013, the G20 Leaders endorsed an Action Plan to address base erosion and profit shifting (BEPS). BEPS refers to tax planning that makes use of gaps in the interaction of different tax systems to artificially reduce taxable income or shift profits to low-tax jurisdictions in which little or no economic activity is performed, resulting in little or no overall corporate tax being paid.

In response to this call, the OECD/G20 BEPS Project was launched to develop the measures envisaged in the 15-point Action Plan, bringing together all OECD and G20 members working on an equal footing and with an intensive and regular consultation with an additional more than 80 countries. The first seven BEPS deliverables were endorsed by G20 Finance Ministers at their meeting in Cairns on 21 September 2014. The 2-year BEPS Project targets a reform of key international tax rules by minimising opportunities for double non-taxation, while reducing double taxation and establishing a level playing field for business without unnecessary compliance costs.

The first seven outputs of the BEPS Action Plan, agreed by consensus, demonstrate strong progress towards the commitment of Leaders to reform the international tax rules. Some key elements of BEPS are tackled under the 2014 deliverables: upon implementation of the relevant measures by national governments, hybrid mismatches will be neutralised (**Action 2**); treaty shopping and other forms of treaty abuse will be addressed (**Action 6**); abuse of transfer pricing rules in the key area of intangibles will be minimised (**Action 8**); and better transparency for tax administrations and more global consistency for taxpayers will be ensured through improved transfer pricing documentation and a template for country-by-country reporting (**Action 13**).

In addition, OECD members and BEPS Associates[1] have agreed on the feasibility of implementing BEPS measures through a multilateral instrument (**Action 15**). They have also advanced the work to fight harmful tax practices, particularly in the area of intangible property regimes and tax rulings, although no final consensus on this issue was reached, with 40 of the 44 countries involved agreeing on a single approach (**Action 5**). Finally, they have reached a common understanding of the tax challenges raised by the digital economy, which will allow them to deepen their work in this area where BEPS is exacerbated (**Action 1**).

These actions will bring substantial benefits to both developed and developing countries by restoring the coherence of corporate tax in the international context, improve transparency of the operations and tax planning of multi-national enterprises, and realign taxation with economic activity and value creation. The **committed leadership of the G20 is required to successfully complete the OECD/G20 BEPS Project** as it works towards addressing the remainder of the BEPS action items and finalising all of the deliverables in a holistic package by the end of 2015. We must work together to ensure a principled approach is taken to reach our common goal of reforming the international tax system. This work is fundamental to put in place a sustainable structure based on global consensus which will withstand the challenges of the 21st century, and restore the trust of our citizens in the fairness of the tax system.

[1] The BEPS Associates are the eight non-OECD G20 countries, i.e. Argentina, Brazil, People's Republic of China, India, Indonesia, Russia, Saudi Arabia, and South Africa, as well as Colombia and Latvia.

2014 Deliverables

The seven 2014 deliverables go a long way in addressing the BEPS challenges, and are accompanied by the Explanatory Statement by the Committee on Fiscal Affairs which explains the relationship between the 2014 and 2015 deliverables.[2] The 2014 deliverables include:

> **Action 1:** Report on tax challenges raised by the **digital economy** and necessary actions to address them.
>
> **Action 2:** Report on domestic and tax treaty measures to neutralise the effects of **hybrid mismatch arrangements**.
>
> **Action 5:** Interim progress report on review of member country regimes in order to counter **harmful tax practices** more effectively.
>
> **Action 6:** Report on **treaty abuse** containing the principle of a minimum standard against treaty shopping and model treaty provisions to counter such abuses.
>
> **Action 8:** Report on the **transfer pricing aspects of intangibles**, containing a new chapter to be included in the OECD Transfer Pricing Guidelines.
>
> **Action 13:** Report containing revised standards for **transfer pricing documentation and a template for country-by-country reporting** of income, earnings, taxes paid and certain measures of economic activity.
>
> **Action 15:** Report on the feasibility of developing a **multilateral instrument** to implement the measures developed in the course of the work on BEPS.

Viewed together with the 2015 deliverables, these measures to address BEPS will ensure the *coherence* of corporate tax systems in a cross-border environment, introduce *substance* requirements in the area of tax treaties and transfer pricing, and ensure *transparency* while promoting certainty and predictability.

Working inclusively to tackle BEPS issues

The BEPS Project has brought together 44 countries working on an equal footing: all OECD members and the BEPS Associates. In addition, during the first phase of the Project, more than 80 developing countries and other non-OECD/non-G20 economies have been consulted, and their input has been fed directly into the BEPS process, through four in-depth regional consultations organised in cooperation with regional tax organisations such as the African Tax Administration Forum (ATAF) and the Inter-American Centre for Tax Administration (CIAT), five thematic global fora on topics such as tax treaties, transfer pricing and value-added taxation, as well as targeted seminars at our regional tax centres in Mexico, Korea and Turkey. This engagement has also been critical to identifying the specific challenges and priorities of low-income countries faced with BEPS issues. These priorities, and how the G20 can provide support to address them, was the subject of a **dedicated two-part Report prepared by the OECD under a mandate from the G20 Development Working Group** (see Section C of this report).

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2 The seven reports of the 2014 BEPS deliverables as well as the Explanatory Statement, are available on line: www.oecd.org/tax/beps-reports.htm.

The two-part Report was welcomed by the G20 Finance Ministers at their meeting in Cairns in September. The urgency of domestic resource mobilisation, and the risk posed by BEPS issues to developing countries, comes into sharp focus when reliance on revenue from corporate income tax is considered. In extreme cases almost 90% of tax revenues are derived from Multi-National Enterprises.

Based on the results of this analysis and at the request of Finance Ministers, we are now expanding the engagement of developing countries. A number of interested countries, along with key regional tax organisations, will be directly involved in the standard-setting process, while we are institutionalising a broader, structured dialogue.

Developing countries, drawn from a cross-section of regions and per capita income-levels, will immediately be invited to take part in the meetings where key decisions on BEPS issues are made – the Committee on Fiscal Affairs (CFA) - as well as in its technical working groups. Interaction with countries not able to participate directly will be ensured through regional networks of tax policy and administration officials which will meet regularly to discuss the priority BEPS issues for developing countries, with an avenue to directly input their contributions to the Project. Leading regional tax administrations have also been invited to participate in the CFA and all technical working groups, in line with the role the IMF, the WBG and the UN already have. We will draw on their unique expertise and benefit from their input in the standard setting process, while working with them to ensure that developing countries reap the benefits of this work and to avoid duplication. **These moves will ensure that developing countries' views are reflected throughout the development of the technical work and standard-setting process, and that there are integrated capacity building measures that best support effective implementation.**

Developing countries and BEPS - Moving to direct engagement and a structured dialogue process

Based on the analysis of the 2-part report to the G20 DWG on the impact of BEPS in Low Income Countries, the OECD has stepped up existing engagement with developing countries:

- A number of interested developing countries, and key regional tax organisations, are invited to participate in the standard-setting process of the BEPS Project – the technical working groups as well as the key decision-making body, the Committee on Fiscal Affairs where the IMF, the WBG and the UN already participate;

- A broader regional network of tax policy and administration officials are being established to develop input, as well as to build and test the tools necessary to support practical implementation of the BEPS measures; and

- A structured dialogue process with other international organisations (the IMF, the WBG and the UN) and regional tax organisations, will be established to work together with developing countries and best support them to address their priority international tax issues.

Consulting extensively

Business representatives, trade unions, civil society organisations and academics have also been very involved through opportunities to comment on discussion drafts which have generated more than 3 500 pages of comments, as well as five public consultations and three BEPS webcasts which attracted over 20 000 viewers from all over the world.

Next steps

The delivery of the 2014 BEPS outputs through an inclusive process is concrete evidence of the G20 and the OECD working together at their best to develop important reforms with a worldwide impact. Ongoing work supported by the continued and unfailing commitment of Leaders will be fundamental to achieving the next stage of the BEPS Action Plan.

Work must continue at the same pace to deliver the Action Plan outputs due at the end of 2015. In parallel, the 2014 deliverables will be further refined to ensure that any outstanding technical issues, including interaction with the 2015 deliverables, are addressed, and that implementation and practical guidance is developed with regard to all issues.

2015 deliverables

The 2015 deliverables include work on the design of effective controlled foreign company (CFC) rules to provide countries with tools to tackle the large amounts of untaxed profits booked offshore (**Action 3**). It will also focus on best practices for rules that prevent base erosion via interest deductions and other financial payments (**Action 4**). Work will continue steadily to prevent harmful tax practices (**Action 5**), with a specific focus on preferential IP regimes. Substance in international standards will be further restored by preventing the artificial avoidance of permanent establishment status (**Action 7**), an issue of particular importance for developing and emerging economies. The review of transfer pricing rules to ensure that the outcomes are in line with value creation will be completed (**Actions 8-10**).

In the area of transparency, recommendations regarding domestic rules to require the disclosure of aggressive tax planning arrangements (**Action 12**) will be developed. To fill the existing data-gap, the OECD/G20 BEPS Project will establish methodologies to collect data and carry out economic analyses on BEPS and its spill-over effects across countries (**Action 11**). Dispute resolution among tax administrations will be made more effective (**Action 14**). Last but not least, a draft mandate for an international conference will be considered by the OECD’s Committee on Fiscal Affairs (CFA) in January 2015 for the negotiation of a multilateral convention to streamline the implementation of the BEPS Action Plan (**Action 15**).

In line with the commitment of all OECD members and G20 countries, an overall package taking into account the holistic nature of the OECD/G20 BEPS Project will be delivered by the end of 2015. Achieving this shared goal will require the continued support of the G20 countries, so that together we may ensure a fairer international tax system which will support sustainable growth for the 21st century.

Implementation will become key

Agreement on key policy matters for the 2014 deliverables has been secured and the relevant rules have been drafted, with some technical implementation issues on the 2014 deliverables to be further developed in 2015 as well as concluding the 2015 deliverables. **Across all of the BEPS deliverables, effective implementation will be central to ensuring the policy objectives are met**, including consistent and co-ordinated application of the agreed rules.

However, the work on implementation of the measures that the BEPS Project is delivering extends beyond making the changes in domestic and international law that will be necessary**. Practical delivery on the ground will require active and co-ordinated action by tax administrations.** This will require enhanced co-ordination and collaboration between tax administrations to successfully deploy the new tools they will have available to tackle BEPS. Effective implementation and administration will also reduce compliance costs for both businesses and governments, eliminate potential arbitrage opportunities among rules implemented differently, and minimise the risk of double taxation that could otherwise arise.

These challenges have been recognised by the Tax Commissioners of the 46 countries, including all OECD and G20 countries as well as the regional tax organisations who participate in the OECD's Forum on Tax Administration.[3] **FTA Commissioners met in Dublin on 23-24 October and noted the need to support the implementation of the global initiatives on BEPS and on the automatic exchange of tax information.** They agreed to work ever more closely together to deal with the tax administration aspects that may result from the BEPS work and to establish a platform for systematic and enhanced co-operation between their tax administrations that will enable them to address cross-border tax avoidance whenever and wherever it arises. A mechanism for monitoring the results from this new level of cooperation between tax administrations will be implemented, facilitating future reporting on progress. The Communique from the October FTA meeting is at Annex 1 to this report.

3 Since its inception twelve years ago, the OECD's Forum on Tax Administration (FTA) has brought together tax administrations at the Commissioner-level, working together on an equal footing to identify and address common tax administration challenges.

B – AUTOMATIC EXCHANGE OF INFORMATION (AEOI)

Background

Invigorated by the impact of the financial crisis**, in April 2009 G20 Leaders committed to strong measures to promote transparency for tax purposes** – declaring the end of the era of bank secrecy. By the end of 2009, the Global Forum on Transparency and Exchange of Information on Tax Purposes (the Global Forum) had been restructured, more than 70 jurisdictions had committed to exchange information on request and more than 3 200 bilateral arrangements to exchange tax information in line with the standard have been signed since then. Today the Global Forum has 123 members working on an equal footing and committed to a peer review process monitoring their implementation of effective exchange of information "on request" (see Part II of this Report).

Starting in 2012, political interest focused increasingly on the opportunities provided by automatic exchange of information, propelled by the progress that had been made in the area of information exchange upon request by the OECD, the European Union and the Global Forum, as well as the work undertaken to implement the US FATCA legislation (Foreign Account Tax Compliance Act). At the Los Cabos, Mexico meeting of G20 Finance Ministers in July 2012, the OECD presented an update report on the state of play, challenges and opportunities for automatic exchange. In July 2013, the G20 Finance Ministers and Central Bank Governors fully endorsed the OECD proposal for a truly global model for automatic exchange, which was supported by the Leaders at the September 2013 Saint Petersburg Summit.

The AEOI Standard[4]

Responding to the G20's call, the OECD presented the single, common global standard on automatic exchange of information (AEOI), including all the technical details, to the G20 Finance Ministers who endorsed it at their September 2014 meeting in Cairns. It includes detailed Commentaries and the information technology (IT) modalities, including a standard format and requirements for secure transmission of information.

The AEOI Standard provides for the regular, automatic exchange between governments of all relevant financial information (including account balances, interest, dividends, and sales proceeds from financial assets) from accounts held by individuals and entities (including trusts and other arrangements) in foreign financial institutions.

The Standard consists of two components: 1) the CRS (Common Reporting Standard) which contains the reporting and due diligence rules to be imposed by participating jurisdictions on their financial institutions; and 2) the Model CAA (Competent Authority Agreement), which contains the detailed rules on the exchange of the information. This is supplemented by the full technical modalities delivered in this report: a detailed commentary on the AEOI Standard, and the technical specifications on both data format/schema and standards on data transmission. As envisioned, concluding the technical modalities also resulted in a small number of technical corrections to the AEOI Standard itself.

4 The Standard for Automatic Exchange of Financial Information in Tax Matters is available on line: www.oecd.org/ctp/exchange-of-tax-information/standard-for-automatic-exchange-of-financial-information-in-tax-matters.htm

The AEOI Standard was developed by the OECD working with G20 countries and in close co-operation with the EU and other stakeholders. It incorporates the most recent developments by drawing extensively on experiences in the European Union, anti-money laundering standards and the Model Intergovernmental Agreements (IGA) to implement the US FATCA legislation. The G8 also gave particular support to this work in their commitment to improved tax transparency.

As the single common global AEOI Standard, it breaks new ground: addressing the tax compliance needs of jurisdictions, while avoiding a proliferation of different and inconsistent standards which would lower effectiveness and increase costs for businesses and governments alike. **In just over one year and as a result of the G20's strong support, the OECD has worked with the G20 to move from conception, to design, to a fully-fledged and fully-agreed AEOI Standard** with all relevant implementation details.

How the AEOI Standard works

Under the Standard, jurisdictions obtain financial information in accordance with the CRS and automatically exchange that information with other jurisdictions, as appropriate, under a CAA on an annual basis.

Under the CRS, to prevent taxpayers from circumventing the Standard, information is collected by financial institutions on the basis of common reporting and due diligence rules. It covers all relevant:

- **financial information**, including all types of investment income (including interest, dividends, income from certain insurance contracts and other similar types of income) but also account balances and sales proceeds from financial assets;

- **financial institutions,** which are not limited to banks and custodians but also include other financial institutions such as brokers, and certain collective investment vehicles and insurance companies; and

- **accounts**, including accounts held by individuals and entities (which include trusts and foundations), with an obligation to look through passive entities to the individuals controlling these entities.

The CAA, which can be developed bilaterally or multilaterally, activates and "operationalises" automatic exchange between the participating countries. It specifies the information to be exchanged and would also deal with practical issues such as the timing and format of the exchange

Implementing AEOI

With the single common global AEOI Standard in place, we have now collected commitments from 93 jurisdictions who have committed to rapid implementation (see Part II of this report). **At their Cairns meeting in September 2014, the G20 Finance Ministers announced they would begin exchanging information automatically between each other and with other countries by 2017 or end- 2018**, subject to completion of necessary legislative procedures. On 29 October in Berlin, 51 jurisdictions that are signed a multilateral competent authority agreement (see Annex 2 for the list of signatories in Berlin). This is an administrative agreement which builds on the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, and is the tool to implement AEOI in practice. The countries and jurisdictions that signed the agreement in Berlin[5] will begin exchanging information in 2017 or 2018 following the passage of implementing legislation and completion of necessary procedures.

To be effective, committed jurisdictions will need to take steps to implement the AEOI standard in domestic law, and ensure they have the appropriate administrative procedures and IT systems in place, as well as confidentiality and data safeguards. The OECD together with G20 countries will continue to work with stakeholders and produce further guidance materials, to ensure that any issues arising from implementation are addressed consistently to ensure the AEOI Standard remains a single common standard, is effective and avoids unnecessary compliance costs for business.

The Global Forum has been tasked by the G20 with monitoring and reviewing the implementation of the AEOI Standard, and has worked closely with the G20 Development Working Group to develop a roadmap on AEOI implementation for developing countries, other than financial centres, which reflects the priorities and capacity challenges they face. More details of the Global Forum's work in this area, including the collection of commitments to the AEOI Standard, are included in Part II of this report.

Impact

The drive to more transparency and better exchange of information is already having a tangible effect on taxpayer behaviour, even before the AEOI Standard has become operational. In nine countries alone **more than half a million taxpayers have come forward** in response to voluntary disclosure programmes, revealing income and wealth hidden from tax authorities. Twenty-five countries have already identified **additional revenue totalling EUR 37 billion** from these and other initiatives targeted at offshore evasion.

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5 The full list of the signatories of the Multilateral Competent Authority Agreement can be found in Annex 2. As more countries and jurisdictions sign the agreement, the list will be updated and is available at http://www.oecd.org/tax/exchange-of-tax-information/MCAA-Signatories.pdf

C – TAX AND DEVELOPMENT

Overview

Taxation plays a central role in promoting sustainable development, and developing countries face significant challenges in developing their tax capacities and mobilising domestic resources. Engagement of developing countries in the international tax agenda, including on BEPS and AEOI, is therefore imperative, in particular to ensure they receive appropriate support to address the specific implementation challenges they face.

For several years, the G20 has noted the importance of ensuring that developing countries can benefit from efforts to reform the international tax system and from the new era of tax transparency. Most recently, at the 2013 G20 Summit, Leaders endorsed the St Petersburg Development Outlook[6], which committed the G20's Development Working Group (DWG) to:

> *"**Review relevant work on base erosion and profit shifting (BEPS) during 2014 in order to identify issues relevant to Low Income Countries** (LICs) and consider actions to address them".*

In response to this commitment, the DWG requested the OECD working with other international and regional organisations to report on the main sources of BEPS for LICs and other low capacity countries ('developing countries'), how those sources relate to the OECD/G20 BEPS Action Plan, and how the DWG might assist developing countries to meet those challenges.

The 2-Part Report[7] was welcomed by the DWG and by G20 Finance Ministers at their meeting in September in Cairns. **In order to scale up our engagement with developing countries on BEPS issues, we have taken action which will bring a number of developing countries into the standard setting, build on our existing partnerships with key regional tax organisations by also bringing them into the process,** (see further Section A of this report), **and refocus our capacity building efforts in our regional tax centres on BEPS issues.**

Report to G20 Development Working Group on the impact of BEPS in Low Income Countries

The Report records findings from extensive consultations and dialogue with developing countries held under the auspices of the OECD's Task Force on Tax and Development. It makes clear that developing countries often face specific policy and other conditions that impact on their abilities to address BEPS. **The urgency of domestic resource mobilisation, and the risk posed by BEPS issues to developing countries, comes into sharp focus when reliance on revenue from corporate income tax is considered. In extreme cases almost 90% of tax revenues are derived from Multi-National Enterprises.**

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6 www.oecd.org/g20/topics/development/St-Petersburg-Development-Outlook.pdf

7 https://www.g20.org/official_resources/oecd_report_g20_development_working_group_impact_base_erosion_and_profit_shifting. The Report is prepared under the responsibility of the Secretariats and Staff of the mandated organisations. It should not necessarily be regarded as the officially-endorsed views of those organisations or their member states.

The Report makes clear that developing countries often face specific policy and other conditions that impact on their abilities to address BEPS. It notes that the interests of developing countries have been addressed in some key areas of the BEPS Action Plan, including for example proposals for country-by-country reporting (Action 13) and the multilateral instrument (Action 15). Drawing on these findings, the OECD, working with other International Organisations and regional tax organisations, has been mandated to develop tools to translate the BEPS Action Plan into practical support for lower capacity developing countries, to be delivered over the next two to three years.

Developing countries have also highlighted their key BEPS priorities. Wasteful tax incentive regimes, those which do not trigger the intended investment objective, were identified as the top tax base eroding concern for developing countries. Also, effective application of transfer pricing rules can be hampered by the lack of quality comparability data for developing economies. Responding to these issues, which relate closely to BEPS, but sit outside the Action Plan, will require a specific effort, and the OECD, with other international organisations; have been requested to report further in 2015.

Transfer Pricing and Tax Incentives

To complement the work to support engagement in the BEPS Project and tools to implement BEPS measures, the OECD is expanding its transfer pricing capacity building work to cover 20 developing countries. This work is carried out in partnership with the World Bank Group and the European Commission, and provides direct support to developing countries on a demand-led basis, tailored to country specific needs.

This work to date has seen significant and tangible results in partner countries. In Colombia improved transfer pricing legislation and a new transfer pricing decree aligned to international standards have been introduced. There has also been significant increased revenue as a result of transfer pricing audits from approximately USD 10m in 2013 to over USD 30m for 2014, in Kenya, revenue collection has more than doubled from USD 52m in 2012 to USD 107m in 2014, in Vietnam, the number of transfer pricing audits conducted by the tax administration has increased from one audit in 2012 to 40 audits in 2013, giving rise to transfer pricing adjustments of USD 110m by the end of 2013. Also, new transfer pricing regulations have been introduced in Ghana and the first transfer pricing audits by the country started in 2014. All of this work has provided valuable lessons that will be fed back into the BEPS Project and inform the 2015 deliverables and the development of tools to build capacity.

In addition, the Task Force is scaling up its work to provide reviews of tax incentives for developing countries on a demand led basis. Significant results have been achieved already, with countries implementing changes in their tax incentives frameworks based on our recommendations.

In Tunisia, our recommendations fed into the development of the new Investment Code, approved by the Council of Ministers and submitted to the National Assembly for ratification. An analysis of tax expenditures in Ghana revealed a significant level of revenue loss attributable to special tax provisions and exemptions – equivalent to 6.13% of GDP in 2011. The study spurred a political debate in Ghana on the effectiveness of tax incentives resulting in measures being implemented to systematically evaluate the costs and benefits of special tax provisions. In-depth analysis of the tax incentives regimes of the 14 Southern African Development Community (SADC) countries is underway, supporting regional cooperation on tax incentives to avoid the race to the bottom.

Tax Inspectors Without Borders

Also targeting improvements in capacity, *Tax Inspectors Without Borders* (TIWB) facilitates a niche area of assistance to developing countries, providing hands-on, real-time tax audit assistance on international tax and general audit issues. Experts are deployed to work with developing country tax administrations on current audit cases involving complex international tax matters, where capacity in developing countries is particularly limited. The G20 have both recognised TIWB as an example of innovation in collective international support for the domestic resource mobilisation efforts of developing countries. A number of G20 countries, including France, Italy, South Africa and the UK are part of the initiative's pilot phase. **We will officially launch this initiative in 2015, drawing lessons from the pilots which have been conducted over the last 12 months.**

Illicit Financial Flows

Priorities in the tax agenda for developing countries also extend beyond BEPS issues. Broader issues, relating for example to illicit financial flows which include tax evasion, but also implicates other financial crimes such as money-laundering and corruption, have a significant impact on developing countries' aims to improve domestic resource mobilisation and build strong governance. The negative impacts of illicit financial flows are increasingly being recognised in various forms. Indeed financial crime is one of the greatest threats to the economic and social well-being of people across the globe.

Various forms of illicit financial flows – from tax evasion, corruption and money laundering - cost developing countries alone an estimated USD 1.26 tn every year. In order to build a more comprehensive international approach to address these issues more effectively, **in 2011 the OECD initiated the Oslo Dialogue – a whole of government approach to fighting tax evasion and other financial crimes** which was endorsed by the G20 Leaders at the Los Cabos Summit in June 2012.

A key pillar of this initiative is strengthening the capacity of criminal tax investigators in developing countries to tackle illicit financial flows. Building on the success of the 3rd Forum on Tax and Crime held in Istanbul in 2013, **the OECD International Academy for Tax Crime Investigation was formally established in June 2014, in Ostia, Italy**. More than 50 investigators from developing countries have already been trained in the pilot stage, drawing on experts from G20 countries as well as the OECD, and other international agencies and organisations such as EUROPOL, INTERPOL, the IMF and the Egmont Group of Financial Intelligence Unit. Developing country demand for support in this area, including requests for "in-country" training, reflects a need to expand capacity building efforts. In the future, the academy could also become an effective platform to assist developing countries with the implementation of the AEOI Standard.

The impact of illicit financial flows on the global economy, including the lost revenues to government, calls out for leadership from the world's largest economies. While ongoing support for the Academy from G20 members in 2015 will be critical to its success, **there is an opportunity to take the next step in the Oslo Dialogue**, **bringing together high-level officials to engage in developing a globally coherent approach to tackling illicit financial flows across the different policy areas which are implicated**.

Exchange of Information

The St Petersburg Development Outlook, which was endorsed at the 2013 Leaders' Summit, also committed the DWG to develop a roadmap for developing countries to take advantage of the new standard on automatic exchange of information. This initiative is discussed further is in Part II of this Report.

PART II

Global Forum on Transparency and Exchange of Information for Tax Purposes

Progress Report to the G20 Leaders: Update on Effectiveness and On-going Monitoring

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EXECUTIVE SUMMARY

There is now a widespread acceptance that all jurisdictions need to implement the international standards of transparency and exchange of information if international tax evasion is to be tackled successfully. The Global Forum's mandate is to promote the rapid implementation of these standards. It is also mandated to ensure that developing countries benefit from the new environment of transparency.

In the five years since its restructuring in 2009, it has driven immense progress in the field: not only is the era of bank secrecy for tax purposes "over," but the era of even more transparency symbolised by the move to automatic exchange of information is now well underway. Considerable progress has been achieved in the last five years through the conduct of 150 peer reviews of jurisdictions which have assessed 105 jurisdiction's compliance with the international standard of Exchange of Information on request (EOIR), as well as through education and assistance activities.

The Global Forum is looking forward to the next five years. For this purpose, in 2014 the Global Forum has, in addition to its peer review activities, been laying the foundations for achieving the next level in tax transparency. First, the international standard of EOIR is being revised in preparation for the next round of reviews, to incorporate the work of the Financial Action Task Force (FATF) on beneficial ownership and to draw on the peer review experience. Second, work is underway to fulfil the responsibility given to the Global Forum by the G20 Leaders in 2013 to monitor the implementation of the new international standard on Automatic Exchange of Information (AEOI), with almost 90 Global Forum members already committed to the first exchanges in 2017 or 2018. Finally, work is ongoing to support developing countries to benefit from and participate in the international transparency standards, thanks to the receipt of additional funding.

2014 has been a momentous year for tax transparency, in large part owing to the ambitious agenda set by the G20, and the G20 members leading by example. The Global Forum is dedicated to ensuring that the international standards are understood, implemented and continue to effect real change.

INTRODUCTION

The Global Forum on Transparency and Exchange of Information for Tax Purposes is the multilateral framework within which work in the area transparency and exchange of information for tax purposes has been carried out by both OECD and non-OECD economies since 2000. Since its restructuring in 2009, the Global Forum has become the key international body working on the implementation of the international standards on tax transparency. The Global Forum ensures that these high standards of transparency and exchange of information for tax purposes are in place around the world through its monitoring and peer review activities, technical assistance, peer to peer learning and skills support.

In 2013, the Global Forum reported to the G20 Leaders on progress made. In their St Petersburg Declaration, the G20 leaders laid the foundations for further progress in tax transparency: in addition to commending progress and calling for the completion of the current schedule of the Global Forum’s peer reviews and allocation of ratings, they endorsed the OECD proposal for a new global standard for the automatic exchange of information; called on the Global Forum to draw on the work of the FATF on beneficial ownership; and mandated the Global Forum to establish a mechanism to monitor and review the implementation of the new global standard on automatic exchange of information. Furthermore, the G20 Leaders in St Petersburg recognised the importance of ensuring that developing countries benefit from the global tax transparency agenda and called for the Global Forum to continue to work in this area.

The Finance Ministers and Central Bank Governors reaffirmed the importance of global tax transparency in their Communiqués of February and September 2014, endorsing the new standard on AEOI, reiterating the importance of continued progress in meeting the international standards of EOIR and AEOI, and of ensuring that developing countries are supported in this area.

This *2014 Report to the G20 Leaders* describes the major progress made in 2014 toward tax transparency. It reports on progress made by jurisdictions in relation to the exchange of information on request; how the Global Forum is meeting the mandate of the G20 to incorporate the Financial Action Task Force’s work on beneficial ownership into the Global Forum standards; on the status of commitments by Global Forum members to implement the new standard for the Automatic Exchange of Information, and how the Global Forum is supporting developing countries to benefit from the international tax and transparency agenda.

Finally, this *2014 Report to the G20 Leaders* includes an outline of the next steps for achieving its objectives in 2015 and beyond. The results of the peer review process, as well as other related information, are annexed to this report (see Annexes 3-7).

EXCHANGE OF INFORMATION ON REQUEST

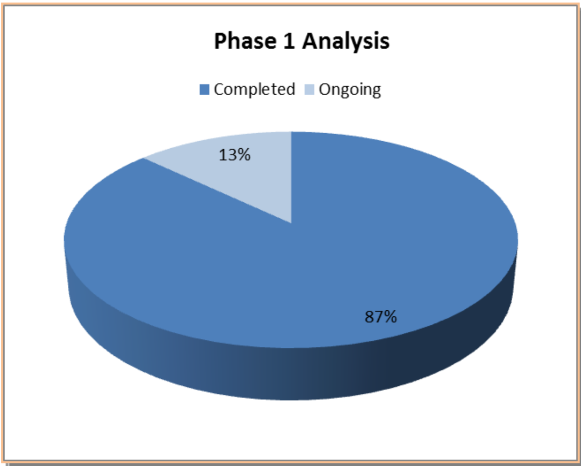
1. Results of the review process

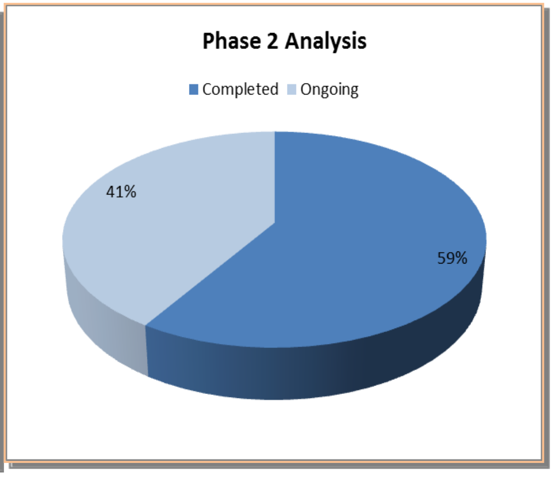
Peer reviews of the standard of Exchange of Information on request (EOIR) have been the Global Forum's main activity since 2009. The peer review process evaluates jurisdictions' compliance with the international standard of transparency and exchange of information on request.

- The Global has completed 150 reviews which include:
  - 79 Phase 1 reviews
  - 26 Combined (Phase 1+2) reviews
  - 45 Phase 2 reviews.
- 24 supplementary reviews were issued.
- Overall, 105 jurisdictions have completed Phase 1 reviews, while 71 have received a rating finalising both phases.

This international standard against which jurisdictions are assessed provides for exchange on request of foreseeably relevant information for carrying out the provisions of a tax convention or for the administration or enforcement of the domestic tax laws of a requesting party. The Global Forum Terms of Reference break down the Standard into 10 essential elements, divided into three main parts: A – Availability of information; B – Access to information; C – Exchange of information.

In accordance with the peer review Methodology, reviews take place in two phases: Phase 1 reviews examine the legal and regulatory framework; Phase 2 reviews look into the implementation of this framework in practice. Certain jurisdictions have undergone combined reviews, which evaluate together the Phase 1 and Phase 2 aspects. All members of the Global Forum, as well as jurisdictions identified by the Global Forum as relevant to its work, are reviewed in the order established by the Schedule of Reviews. To date, almost all members have completed their Phase 1 reviews and a majority have undergone Phase 2 or combined reviews.



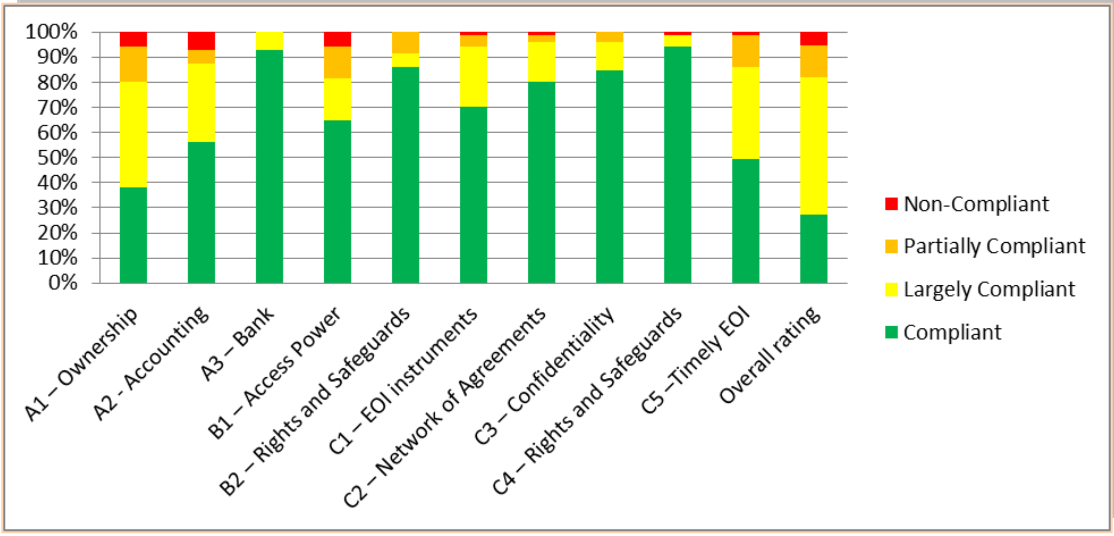


Where areas of weakness are identified during reviews, the reports include recommendations setting out clearly what improvements jurisdictions need to make. Where a jurisdiction does not have in place elements which are crucial to it achieving effective EOIR, the jurisdiction will not move to a Phase 2 review until it has acted on the recommendations made, to be determined by through a Supplementary Review.

2. Results and Ratings

During Phase 1 reviews, each of the 10 essential elements receives a determination, which can be: “The element is in place”, “The element is in place, but certain aspects of the legal implementation of the element need improvement”, or “The element is not in place”. In Phase 2 reviews, each essential element is rated as “compliant”, “largely compliant, “partially compliant”, or “non-compliant”. In addition, a jurisdiction that has completed both Phase 1 and Phase 2 reviews is assigned an overall rating, assessing the general level of compliance with the standard.

As of October 2014, 71 jurisdictions have received ratings for each individual element of the review as well as an overall rating. The table below shows the aggregate results of ratings of the ten essential elements of the Terms of Reference, as well as of the overall rating for the 71 jurisdictions that have completed Phase 1 and Phase 2 reviews. See Annex 4 for further details.



It should be noted that there are currently 12 jurisdictions (see table below “Jurisdictions unable to move to Phase 2”) that could not receive ratings because their Phase 1 reviews determined that the legal and regulatory framework presented serious deficiencies that prevented them from moving to Phase 2 until they act on the recommendations made (including one jurisdiction for whom the launch of the Phase 2 review is still subject to conditions). Some of these have reported that they have or are in the process of implementing the Global Forum’s recommendations to enable them to ask for Supplementary Reviews. The Supplementary Phase 1 report of Switzerland has been launched and is underway. The Global Forum has now formulated a process designed to swiftly encourage the remaining jurisdictions to respond to the recommendations, failing which a rating of non-compliant will be issued.

The respective overall rating for each jurisdiction is presented in the table below.

JURISDICTION	OVERALL RATING
Australia, Belgium, Canada, China, Denmark, Finland, France, Iceland, India, Ireland, Isle of Man, Japan, Korea, Mexico, New Zealand, Norway, Slovenia, South Africa, Spain, Sweden	Compliant
Argentina, The Bahamas, Bahrain, Belize, Bermuda, Brazil, Cayman Islands, Chile, Estonia, Former Yugoslav Republic of Macedonia (FYROM), Germany, Ghana, Gibraltar, Greece, Grenada, Guernsey, Hong Kong (China), Italy, Jamaica, Jersey, Macao (China), Malaysia, Malta, Mauritius, Monaco, Montserrat, Netherlands, Philippines, Qatar, Russia, San Marino, Singapore, Slovak Republic, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Turks and Caicos Islands, United Kingdom, United States	Largely compliant
Andorra, Anguilla, Antigua and Barbuda, Austria,* Barbados, Indonesia, Israel, Saint Lucia, Turkey	Partially compliant
British Virgin Islands,* Cyprus, Luxembourg, Seychelles	Non-compliant
Jurisdictions that cannot be rated because they cannot move to Phase 2	
Brunei Darussalam, Marshall Islands, Dominica, Federated States of Micronesia, Guatemala, Lebanon, Liberia, Nauru, Panama, Switzerland,** Trinidad and Tobago, Vanuatu.	

* The jurisdiction is undergoing a Supplementary Phase 2 Review to improve its ratings.
** The launch of the Phase 2 of Switzerland is subject to conditions. Switzerland is undergoing a Supplementary Phase 1 Review.

3. The impact of the review process

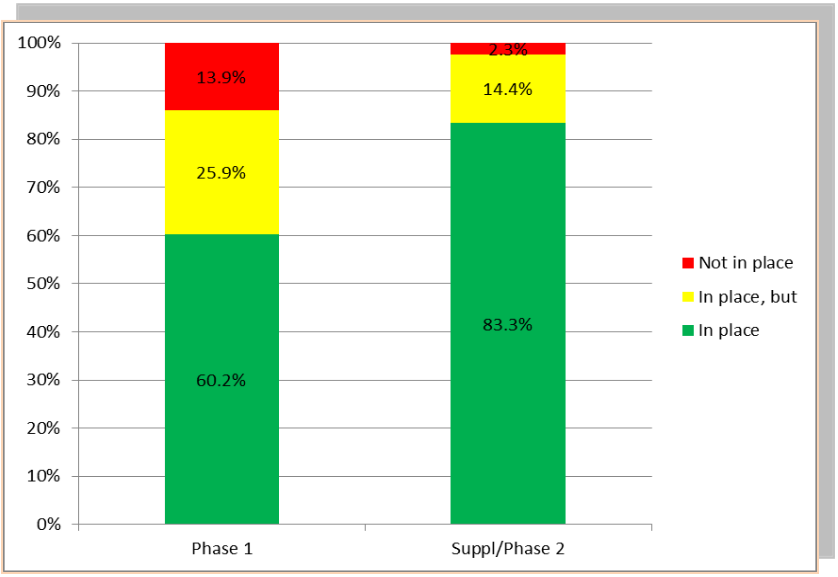
The Global Forum's peer reviews have had a substantial impact on the implementation of the international standards around the world.

Impact on the jurisdictions

> A total of 23 jurisdictions have abolished, immobilised, or otherwise reported significant progress towards the implementation of Global Forum's recommendations in relation to bearer shares.

Jurisdictions are following-up on the Global Forum recommendations. A significant number of jurisdictions have improved their legislation to ensure the availability of accounting and ownership information, including abolishing or immobilising bearer shares. Jurisdictions have also acted on improving access powers to the information under domestic laws, for example by improving their access to bank information for EOIR purposes, and have improved EOIR procedures or strengthened EOI units for timely EOIR. Overall, out of the 968 recommendations made, 92 jurisdictions have already introduced or proposed changes to their laws and practices to implement around 500 recommendations.

Improvements in the legal framework



A total of 24 supplementary reviews have been issued publicly recognising the improvements made by jurisdictions. Following these Supplementary Phase 1 reviews and Phase 2 reviews (which also re-evaluate the legal and regulatory framework where any relevant change occurred), the number of elements determined to be fully "in place" rose from 163 to 229, with only 2.3% of elements assessed "not in place" compared to 13.9% before the Supplementary Phase 1 or Phase 2 reviews.

During 2014 four jurisdictions (Botswana, Niue, Panama and United Arab Emirates) completed Supplementary Phase 1 Reviews which resulted in three of them, Botswana, Niue, United Arab Emirates, moving to Phase 2.

Impact on revenue

AUSTRALIA

In 2013, Australia recovered AUD 459 million (EUR 326 million*) from EOI exchanges.

SWEDEN

In 2013, Sweden recovered SEK 730 million (EUR 84 million*) from EOI exchanges.

* computed with 2013 average annual exchange rate

Members of the Global Forum are now reporting that the use of exchange of information agreements has enabled them to recover tax evaded. These examples show that tax information exchange agreements are effective.

The increase in use of voluntary disclosure programs by taxpayers is also linked to the increased tax transparency worldwide and the deterrent effect of improved transparency and exchange of information.

4. The next round of reviews: beneficial ownership and other revisions to the Terms of Reference

At its plenary meeting in Jakarta, in November 2013, the Global Forum agreed that a new round of reviews would be initiated following the completion of the existing Schedule of Reviews. Prior to commencing this new round of reviews, the Global Forum asked its Peer Review Group to examine the existing Terms of Reference, which set out the standard of EOIR, in light of the experience gained from the peer reviews, and in light of international developments. Following this examination, the Global Forum agreed to amend a number of elements in the Terms of Reference at its 2014 Annual Meeting in Berlin. These amendments will now be introduced into the revised Terms of Reference which will form the basis of the next round of reviews of EOIR, commencing in 2016.

Main topics of revision

"*The Global Forum will draw on the work of FATF on beneficial ownership and ensure that all countries have information regarding the beneficial ownership of entities operating in their jurisdictions.*"
Tax Annex to the St. Petersburg G20 Leaders' Declaration

A lack of knowledge about who ultimately owns and controls legal entities and arrangements facilitates tax evasion, money laundering and corruption. Ensuring availability of beneficial ownership information is, therefore, a top priority for governments and intergovernmental organisations and tax administrations. Responding to this need and calls from the G20, the Global Forum's next round of reviews will intensify focus on beneficial ownership to ensure that all countries have information regarding the beneficial ownership of entities operating in their jurisdictions. This will be achieved by incorporating the FATF definition of beneficial ownership into the Global Forum's Terms of Reference.

In addition to beneficial ownership, the Global Forum has analysed 15 other issues to make sure that the Terms of Reference for the next round of reviews reflect the lessons learnt in the peer reviews to date and developments in international transparency. One of the most important of these is to include the incorporation of the 2012 update of the commentary to Article 26 of the OECD Model Tax Convention into the Terms of Reference. This will mean that requests in relation to a group of taxpayers not individually identified ("group requests") are now covered by the Terms of Reference. The revised Terms of Reference will also incorporate changes in respect of record retention requirements, taxpayer rights and safeguards and the completeness and quality of requests and responses.

The revision of the Terms of Reference effectively resets expectations for all members to a higher level. These are new higher standards and they highlight the active role that the Global Forum plays in its ongoing monitoring of developments in international transparency and tax cooperation.

AUTOMATIC EXCHANGE OF INFORMATION

In 2014 the G20 endorsed one common global standard for the automatic exchange of financial account information, which has been made available for all jurisdictions to use. This has been created by the OECD in conjunction with the G20 and other jurisdictions, with input from representatives of the financial industry.

Achieving a level playing field

The core task of the Global Forum has been, and is, to promote fair and effective transparency and exchange of information. There are three key aspects of the Global Forum's work in this area: (1) creating a process to enable members to commit to the new standard; (2) monitoring effective implementation of the new standard; and (3) supporting developing countries. Doing so will ensure that the widest possible implementation of the new standard and spreading of its benefits for all. In order to carry forward this important work on AEOI, the Global Forum agreed at its meeting in Jakarta in 2013 to establish a new AEOI Group, currently with 57 member jurisdictions and three international organisations.

(1) Committing to the new standard

Global Forum members were asked in August 2014 to commit to the new global standard (subject to the completion of necessary legislative procedures). This involves: a) reciprocity; b) exchanging with all interested appropriate partners; and c) a specific timetable for implementation.

Regarding the timeline for implementation, Global Forum members have been asked to implement on a timeline which anticipates the first information exchanges to occur from September 2017 until the end of 2018, at the latest. This same timeline has been agreed as the timeline for first exchanges by G20 members, as indicated in the G20 Finance Ministers and Central Bank Governors Communiqué in Cairns. With regard to the developing countries that do not have financial centres, or who have not already indicated their commitment to AEOI, it was widely recognised that it may not be feasible to commit to the new standard at this time on account of capacity constraints.[8]

Many Global Forum members have now indicated their support for the new standard and outlined their initial implementation plans. This is very significant progress in a short period of time and further evidences the commitment of the Global Forum's members to progressing global transparency.

8 Developing countries were identified as those on the 2013 OECD Development Assistance Committee list, but not categorised as financial centres. These countries are: Albania, Azerbaijan, Botswana, Burkina Faso, Cameroon, Dominican Republic, El Salvador, Former Yugoslav Republic of Macedonia, Gabon, Georgia, Ghana, Guatemala, Jamaica, Kazakhstan, Kenya, Lesotho, Liberia, Mauritania, Morocco, Nigeria, Pakistan, Philippines, Senegal, Tunisia, Uganda, Ukraine.

The table below summarises the responses of Global Forum members that were asked to commit to the new standard.[9]

JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2017[10]
Anguilla, Argentina, Barbados, Belgium, Bermuda, British Virgin Islands, Cayman Islands, Chile, **Colombia, Croatia, Curaçao, Cyprus, Czech Republic, Denmark,** Dominica, **Estonia, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hungary, Iceland, India, Ireland, Isle of Man, Italy, Jersey, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mauritius, Mexico, Montserrat, Netherlands,** Niue, **Norway, Poland, Portugal, Romania, San Marino**, **Seychelles, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Trinidad and Tobago**, **Turks and Caicos Islands, United Kingdom,** Uruguay
JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2018
Andorra, Antigua and Barbuda, Aruba, Australia, Austria, The Bahamas, Belize, Brazil, Brunei Darussalam, Canada, China, Costa Rica, Grenada, Hong Kong (China), Indonesia, Israel, Japan, Marshall Islands, Macao (China), Malaysia, Monaco, New Zealand, Qatar, Russia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Singapore, Sint Maarten, Switzerland, Turkey, United Arab Emirates
JURISDICTIONS THAT HAVE NOT INDICATED A TIMELINE OR THAT HAVE NOT YET COMMITTED
Bahrain, Cook Islands, Nauru, Panama, Vanuatu

It is expected that in the following months, more jurisdictions will communicate their commitment to the Chair of the Global Forum. The status of these commitments will be updated on the Global Forum website on a continuous basis.

> "The Global Forum will establish a mechanism to monitor and review the implementation of the new standard on automatic exchange of information."
>
> Source: Tax Annex to the St. Petersburg G20 Leaders' Declaration

(2) Monitoring effective implementation of the Standard

As outlined above in this report, the Global Forum has a proven track record in monitoring effective implementation of EOIR, resulting in greater accountability between members as well

9 The United States has indicated that it will be undertaking automatic information exchanges pursuant to FATCA from 2015 and has entered into intergovernmental agreements (IGAs) with other jurisdictions to do so. The Model 1A IGAs entered into by the United States acknowledge the need for the United States to achieve equivalent levels of reciprocal automatic information exchange with partner jurisdictions. They also include a political commitment to pursue the adoption of regulations and to advocate and support relevant legislation to achieve such equivalent levels of reciprocal automatic exchange.

10 A group of jurisdictions, collectively known as the Early Adopters Group (indicated in bold), have committed themselves to early adoption of the new standard and have provided specific timelines for implementation in the form of a Joint Statement, with the first exchange of information in relation to new accounts and pre-existing individual high value accounts to take place by the end of September 2017. Information about pre-existing individual low value accounts and entity accounts will either first be exchanged by the end of September 2017 or September 2018 depending on when financial institutions identify them as reportable accounts.

as real improvements in the quality of international tax co-operation.

In light of the effectiveness of its work, the G20 Leaders requested, and the Global Forum plenary agreed at its meeting in Jakarta 2013, that the Global Forum monitor the implementation of the new standard on AEOI. This will include a peer review process for Global Forum members (while taking into account the accommodation for certain developing countries), as well as allowing for the possibility of a review of other jurisdictions of relevance to the work on implementing the new standard. Substantial progress has been made in 2014 for creating the Terms of Reference and Methodology for these reviews, and these will be finalised by mid-2015, with the first reviews on the legal framework for AEOI expected to begin in 2016.

(3) Participation by developing countries

With over half of its members being developing countries, an important task for the Global Forum is to help these jurisdictions increase their capacity to participate in the new standard on AEOI. Doing so will assist them in mobilising the resources they need for development and in creating a truly global level playing field.

> "We will continue to take practical steps to assist developing countries preserve and grow their revenue bases and stand ready to help those that wish to participate in automatic information exchange."
>
> Source: G20 Finance Ministers and Central Bank Governors Communiqué, Cairns, September 2014

The Global Forum AEOI Group, which includes a number of developing country members as well as the World Bank Group and Commonwealth Secretariat, will continue to share knowledge and experience and build awareness of the potential to use AEOI to combat tax evasion. In addition, and in conjunction with the OECD, the Global Forum will develop resource materials that will be made available for use by all members to assist in implementing the new standard.

At their September 2014 meeting, the G20 Finance Ministers and Central Bank Governors received and endorsed the Roadmap for developing country participation in the new standard on AEOI. This was prepared by the Global Forum at the request of the G20 Development Working Group and it describes a stepped approach for how developing countries can participate in the new standard. This Roadmap was based on numerous consultations (with developing countries (both members and non-members), international organisations and non-government organisations), and the Global Forum's research and experience.

The Roadmap also includes an outline for pilot projects to be undertaken between developing and G20 / developed country partners, which will be facilitated by the Global Forum, working with the World Bank Group and other international and regional organisations. In conformity with its mandate in relation to AEOI and developing countries, work will commence on pilot projects in early 2015, the results of which will be shared with all Global Forum members. The first pilot projects will be undertaken with Colombia, working with Spain as a pilot partner, and Albania, working with Italy.

> **Pilot Projects for AEOI in 2015**
>
> Six developing countries have expressed interest in a pilot project for AEOI:
>
> - Albania
> - Colombia
> - Morocco
> - Pakistan
> - The Philippines
> - Uganda

Some developing countries are also financial centres, and their needs for assistance should also be taken into account to ensure timely implementation of the new standard. To better understand their concerns, the Global Forum Secretariat has commenced a project with the Seychelles to address its requirements. The knowledge gained will later be used to assist other jurisdictions in understanding and implementing the new standard.

SUPPORTING DEVELOPING COUNTRIES

"Developing countries should be able to reap the benefits of a more transparent international tax system and to enhance their revenue capacity, as mobilizing domestic resources is critical to financing development. We recognize the importance of all countries benefitting from greater tax information exchange."

Source: G20 Leaders' Declaration, St. Petersburg

The Global Forum engages in a range of initiatives to support its developing country member jurisdictions in effectively implementing the international standards, and ensuring that exchanges between members' tax authorities are efficient and of high quality. This section of the report describes these initiatives. These activities will intensify greatly in 2015 due to Global Forum members' commitment to Automatic Exchange of Information (AEOI) and the need to ensure that developing countries can participate in and benefit from the new AEOI standard, as well as in connection with the Global Forum's 2015 strategic project for increasing engagement in Africa.

THE PHILIPPINES

The Philippines restructured its EOI Unit and systems in 2013 with assistance from the Global Forum and World Bank Group. In 2014 it recovered more than USD 1 million in just two cases as result of exchange of information with treaty partners.

The Global Forum's assistance activities are a collaborative effort between the Secretariat, member jurisdictions and various international organisations and development agencies. The Technical Assistance activities that are carried out by the Global Forum can be classed into three categories. First, activities classified as skills support, which build the skills of member jurisdictions focussing on the needs of one jurisdiction at a time, often in connection with their upcoming peer review. Second, the Global Forum facilitates learning between member jurisdictions which takes the form of regional training seminars and competent authority meetings, known as peer learning, focussing on issues such as awareness, auditor sensitisation, building EOIR systems and procedures and training assessors for conducting peer reviews. Third, the Global Forum has developed tools which support members' implementation of the standard.

UGANDA

Uganda set-up an EOI unit in March 2014, with assistance received from ATAF, Treaty partners, and the Global Forum. Since its inception, the unit has sent over 16 information requests and responded to several requests.

A significant boost was given to the Global Forum's technical assistance work in November 2013 with the announcement by the UK Department for International Development (DfID) of funding of £1.6 million (€1.9 million) specifically for the purposes of providing technical assistance to developing countries over a three-year period. In addition, in January 2014 the French Ministry of Foreign Affairs committed to provide funding to support two countries, Burkina Faso and Mauritania, in the lead-up to their Phase 1 reviews. The Global Forum has also benefitted from a substantial grant to the OECD for technical assistance to Tunisia under the Deauville Partnership Middle East and North Africa Fund. This includes provisions for the Global Forum to provide extensive support to Tunisia for its Phase 1 and Phase 2 peer reviews in the three years 2014-16 as well as providing assistance for Tunisia to create an EOI Unit. Japan also provides support for the Global Forum technical assistance activities in

Asia. These sources of funding are essential to ensure that the Secretariat can continue to provide assistance to members moving to implement a new transparency pillar built around AEOI while maintaining focus on the needs of developing countries who are members of the Global Forum.

The following activists were undertaken in 2014 to support developing countries.

Type	Activities in 2014
Skills support	• worked with a total of nine developing countries (Burkina Faso, Cameroon, Gabon, Lesotho, Mauritania, Pakistan, Senegal, Tunisia and Uganda) to focus on building skills in advance of their forthcoming Phase 1 reviews • national seminars held in five jurisdictions, followed by bilateral meetings to increase engagement of relevant stakeholders in advance of peer review process (Burkina Faso, Cameroon, Lesotho, Tunisia and Uganda) • two pre-Phase 2 projects (Samoa and Uruguay)
Peer learning	• five regional seminars addressing various aspects of the exchange of information infrastructure (Turkey, Cameroon, Uruguay, Tanzania, Mexico) • assessor training seminar, San Marino (attended by 31 jurisdictions) • third annual competent authorities meeting (Mexico) • to date, 16 Regional Seminars attended by 841 participants from 103 jurisdictions and 9 international organisations and 7 Assessor Training Seminars at which 266 assessors from 87 jurisdictions and 6 international organisations received training in the Peer Review Methodology
Tools	• technical assistance platform for online sharing of training resources • creation of EOI Work Manual and an EOI database and tracking system (in conjunction with the World Bank Group / IFC)

Cooperation with other international organisations has also contributed substantially to the work of the Global Forum. 14 international organisations participate as observers at the Global Forum (African Tax Administration Forum (ATAF), Asian Development Bank, Caribbean Community (CARICOM), Inter American Center of Tax Administrations (CIAT), the Commonwealth Secretariat, Centre de Rencontre des Administrations Fiscales (CREDAF), European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, International Finance Corporation, International Monetary Fund, United Nations, World Bank Group and World Customs Organisation). The level of cooperation with these organisations has been high. Most regional seminars have been organised in conjunction with the World Bank Group and other relevant regional organisations, such as the ATAF and CIAT. In addition some of the observers have made voluntary contributions to the budget of the Global Forum.

At its annual meeting in Berlin, the Global Forum welcomed the launch of a new initiative focussed on the needs of Africa. The Africa Initiative will be a joint effort of ATAF, CREDAF, the Global Forum, the OECD, the World Bank Group, other international organisations and individual African members of the Global Forum. The aim is to deliver a program to unlock the potential for transparency and exchange of information in Africa, to engage with relevant leaders in African countries on the benefits that it can bring, and to leave behind a legacy of increased capacity in tax administrations across the continent.

CONCLUSION – NEXT STEPS

Five years after the restructuring of the Global Forum in 2009, global debate has resulted in widespread support for, and commitment to, tax transparency. Strict banking secrecy for tax purposes which existed five years ago is no longer part of any Global Forum members' legislation. Automatic exchange of information of financial accounts which might have been considered unimaginable five years ago is being introduced in almost all of the world's major financial centres. Exchange of information will now rest on two mutually reinforcing pillars, EOIR and AEOI, significantly reducing the scope for international tax evasion. The provisions on fiscal transparency are also becoming increasingly strict. The pressure is on all jurisdictions to show that they can obtain beneficial ownership information. As a result, the risk of shell companies or other similar arrangements to evade tax will be further reduced. The standards are now in place and there should no longer be any safe hiding places for tax evaders.

The challenge remains, however, to make sure that the standards are fully and consistently implemented around the world, that all jurisdictions including developing countries can benefit from them, and that the tools that have been developed over the last five years are used effectively. Information exchange will not be effective if jurisdictions do not make requests and it will be difficult to rationalise the time, effort, and costs that have been devoted to building the infrastructure which now exists if it is not exploited effectively. Developing countries will also require ongoing support if they are to be fully connected into the international network. These will be the main challenges over the next five years as the Global Forum moves to monitor the implementation of the new standard on AEOI, the revised standard on EOIR and to help developing countries benefit from those standards.

Political backing for the promotion of tax transparency and the Global Forum has been fundamental to the success of our work over the last five years. The signs for the next five years are very encouraging, but political support for the implementation of these higher standards will continue to be needed as countries adjust to the next level of international co-operation.

Annexes

OECD SECRETARY-GENERAL REPORT

TO THE G20 LEADERS

ANNEX 1

FINAL COMMUNIQUÉ

Meeting of the Forum on Tax Administration (FTA)
24 October 2014, Dublin, Ireland

On line version: www.oecd.org/ctp/administration/fta-2014-communique.pdf

We, the heads of tax administrations from 38 countries, met in Dublin for the 9th meeting of the Forum on Tax Administration (FTA).

Our meeting came at an important time in the significant work being addressed under the Base Erosion and Profit Shifting (BEPS) project. This meeting followed the September meeting of G20 Finance Ministers, which welcomed the first seven deliverables of the BEPS action plan and agreed the rapid roll out of automatic exchange of financial account information at a global level subject to the completion of necessary legislative procedures.

To support the implementation of these global initiatives, while improving service levels and operational efficiency, we as Commissioners with responsibility for tax administration and compliance management must work ever more closely together, share our knowledge, co-ordinate our actions and deal with tax administration aspects that may result from the BEPS work. Recognising the support of G20 Finance Ministers for further "co-ordination and collaboration by tax administrations on compliance activities on entities and individuals involved in cross border tax arrangements" we agreed the following actions:

- We are taking a significant step forward in global tax co-operation. We have agreed a strategy for systematic and enhanced co-operation between our tax administrations, based on existing legal instruments, that will allow us to quickly understand and deal with global tax risks whenever and wherever they arise. Along with the strategy, we have created a new international platform called the JITSIC[1] Network to focus specifically on cross border tax avoidance, which is open to all FTA members on a voluntary basis. This new network integrates the existing cooperation amongst some of us into the larger FTA framework.

- We will invest the resources necessary to implement the new standard on automatic exchange of information and use the information to counter tax evasion wherever it arises, while protecting taxpayer confidentiality and ensuring the proper use of the information. We will ensure that common, secure and effective transmission systems are in place.

- We will improve the practical operation of the Mutual Agreement Procedure (MAP) so that issues of double taxation are addressed more quickly and efficiently in order to meet the needs of both governments and taxpayers and so assure the critical role of those procedures in the global tax environment. We have advanced work in this area which will be integrated with the result from the related 2015 BEPS action item. We will encourage competent authorities of all member countries to actively participate in the relevant activities.

1 "Joint International Tax Shelter Information and Collaboration" (formerly "Joint International Tax Shelter Information Centre").

Our discussions also focused on some other key challenges facing us as tax administrators including how we engage with taxpayers, businesses and the tax profession towards further enhancing a strong voluntary compliance culture. We considered how we can help to positively influence tax compliance behaviour from the earliest stages when a business commences operations so that tax compliance is an important part of the operation of the business from the start and remains a key governance consideration in the boardroom.

We are taking our work on Co-operative Compliance to the next level. We are working with business and intermediaries to develop the principles that underpin effective tax control frameworks. We will work to extend, over time, the principles to the SME sector so that small businesses can also benefit from greater tax certainty and lower costs in exchange for transparency. We have agreed on the principles upon which to build for measuring the outcomes of such an approach.

We welcomed and endorsed for publication today the work led by our members since our last meeting in May 2013 including how, through the continuing evolution and further expansion of electronic services, we can best realise the benefits of the investment in self-service, how we can leverage improved performance in debt management and how we develop and use more outcome focused measures of our performance. Learning from each other is essential if we are to keep improving.

The meeting brought together over 130 delegates, including representatives from the African Tax Administration Forum (ATAF), Inter-American Center of Tax Administrations (CIAT), Centre de Rencontre des Administrations Fiscales (CREDAF), International Monetary Fund (IMF) and the Intra-European Organisation of Tax Administrations (IOTA).[2] Our discussions included a very productive and effective engagement with business leaders and the tax profession and we acknowledge their very positive and fruitful contribution to our meeting.

We would like to thank the Irish Revenue Commissioners for the excellent arrangements for this meeting and for the warm welcome to Dublin. We are very grateful to the People's Republic of China for agreeing to host our next meeting.

[2] The FTA stands ready to engage with other regional tax organisations or groupings like the Commonwealth Association of Tax Administrators (CATA), the Co-ordinating Council of Heads of Tax Administrations of the Commonwealth of Independent States or the Study Group on Asian Tax Administration and Research (SGATAR).

ANNEX 2

SIGNATORIES OF THE MULTILATERAL COMPETENT AUTHORITY AGREEMENT AND INTENDED FIRST INFORMATION EXCHANGE DATE

Status as of 29 October 2014

Latest version: www.oecd.org/tax/exchange-of-tax-information/MCAA-Signatories.pdf

JURISDICTION FROM WHICH THE COMPETENT AUTHORITY IS FROM	INTENDED FIRST INFORMATION EXCHANGE BY: (ANNEX F TO THE AGREEMENT)
1. ALBANIA	September 2018
2. ANGUILLA	September 2017
3. ARGENTINA	September 2017
4. ARUBA	September 2018
5. AUSTRIA	September 2018
6. BELGIUM	September 2017
7. BERMUDA	September 2017
8. BRITISH VIRGIN ISLANDS	September 2017
9. CAYMAN ISLANDS	September 2017
10. COLOMBIA	September 2017
11. CROATIA	September 2017
12. CURAÇAO	September 2017
13. CYPRUS	September 2017
14. CZECH REPUBLIC	September 2017
15. DENMARK	September 2017
16. ESTONIA	September 2017
17. FAROE ISLANDS	September 2017
18. FINLAND	September 2017
19. FRANCE	September 2017
20. GERMANY	September 2017
21. GIBRALTAR	September 2017
22. GREECE	September 2017
23. GUERNSEY	September 2017
24. HUNGARY	September 2017
25. ICELAND	September 2017
26. IRELAND	September 2017

27. ISLE OF MAN	September 2017
28. ITALY	September 2017
29. JERSEY	September 2017
30. KOREA	September 2017
31. LATVIA	September 2017
32. LIECHTENSTEIN	September 2017
33. LITHUANIA	September 2017
34. LUXEMBOURG	September 2017
35. MALTA	September 2017
36. MAURITIUS	September 2017
37. MEXICO	September 2017
38. MONTSERRAT	September 2017
39. NETHERLANDS	September 2017
40. NORWAY	September 2017
41. POLAND	September 2017
42. PORTUGAL	September 2017
43. ROMANIA	September 2017
44. SAN MARINO	September 2017
45. SLOVAK REPUBLIC	September 2017
46. SLOVENIA	September 2017
47. SOUTH AFRICA	September 2017
48. SPAIN	September 2017
49. SWEDEN	September 2017
50. TURKS & CAICOS ISLANDS	September 2017
51. UNITED KINGDOM	September 2017

ANNEX 3: G20 COMMUNIQUÉS

G20 Finance Ministers and Central Bank Governors, Cairns, 20-21 September, 2014

We are strongly committed to a global response to cross-border tax avoidance and evasion so that the tax system supports growth-enhancing fiscal strategies and economic resilience. Today, we welcome the significant progress achieved towards the completion of our two-year G20/OECD Base Erosion and Profit Shifting (BEPS) Action Plan and commit to finalising all action items in 2015. We endorse the finalised global Common Reporting Standard for automatic exchange of tax information on a reciprocal basis which will provide a step-change in our ability to tackle and deter cross-border tax evasion. We will begin exchanging information automatically between each other and with other countries by 2017 or end-2018, subject to the completion of necessary legislative procedures. We call on all financial centres to make this commitment by the time of the Global Forum meeting in Berlin, to be reported at the Brisbane Summit, and support efforts to monitor global implementation of the new global standard. We support further coordination and collaboration by our tax authorities on their compliance activities on entities and individuals involved in cross-border tax arrangements. We welcome progress so far, and encourage further steps by G20 countries to deliver the St Petersburg commitment to lead by example in meeting the Financial Action Task Force standards on beneficial ownership. We will continue to take practical steps to assist developing countries preserve and grow their revenue bases and stand ready to help those that wish to participate in automatic information exchange. We are deepening developing country engagement in tackling BEPS issues and ensuring that their concerns are addressed.

G20 Finance Ministers and Central Bank Governors, Sydney, 22-23 February, 2014

We encourage the Global Forum on Transparency and Exchange of Information for Tax Purposes to continue to monitor the implementation of the standard for exchanging information upon request and we look forward to further reports on compliance with the standard.

G20 Leaders' Declaration, Saint Petersburg, 5-6 September 2013, paragraphs 51 and 52

We commend the progress recently achieved in the area of tax transparency and we fully endorse the OECD proposal for a truly global model for multilateral and bilateral automatic exchange of information. Calling on all other jurisdictions to join us by the earliest possible date, we are committed to automatic exchange of information as the new global standard, which must ensure confidentiality and the proper use of information exchanged, and we fully support the OECD work with G20 countries aimed at presenting such a new single global standard for automatic exchange of information by February 2014 and to finalizing technical modalities of effective automatic exchange by mid-2014. In parallel, we expect to begin to exchange information automatically on tax matters among G20 members by the end of 2015. We call on all countries to join the Multilateral Convention on Mutual Administrative Assistance in Tax Matters without further delay. We look forward to the practical and full implementation of the new standard on a global scale. We encourage the Global Forum to complete the allocation of comprehensive country ratings regarding the effective implementation of information exchange upon request and ensure that the implementation of the standards are monitored on a continuous basis. We urge all jurisdictions to address the Global Forum recommendations in particular those 14 that have not yet moved to Phase 2. We invite the Global Forum to draw on the work of the FATF with respect to beneficial ownership. We also ask the Global Forum to establish a mechanism to monitor and review the implementation of the new global standard on automatic exchange of information.

Developing countries should be able to reap the benefits of a more transparent international tax system, and to enhance their revenue capacity, as mobilizing domestic resources is critical to financing development. We recognize the importance of all countries benefitting from greater tax information exchange. We are committed to make automatic exchange of information attainable by all countries, including LICs, and will seek to provide capacity building support to them. We call on the Development Working Group in conjunction with the Finance Track, to work with the OECD, the Global Forum and other IOs to develop a roadmap showing how developing countries can overcome obstacles to participation in the emerging new standard in automatic exchange of information, and to assist them in meeting the standard in accordance with the action envisaged in the St Petersburg Development Outlook. The Working Group should report back by our next meeting. Working with international organizations, we will continue to share our expertise, help build capacity, and engage in long-term partnership programmes to secure success. In this respect, we welcome the OECD Tax Inspectors without Borders initiative, which aims to share knowledge and increase domestic capacities in developing countries in the tax area. Finally, we are committed to continue to assist developing countries, including through the IOs, in identifying individual country needs and building capacity in the area of tax administration (in addition to automatic exchange of information) and encourage such support to be developing country led.

Tax Annex to the Saint Petersburg G20 Leaders Declaration, 5-6 September 2013, paragraphs 1 - 3

The G20 has been at the forefront of efforts to establish a more effective, efficient and fair international tax system since they declared the era of bank secrecy over at the G20 London Summit in April 2009. In an increasingly borderless world, strengthening international cooperation in tax matters is essential to ensuring the integrity of national tax systems and maintaining trust in governments.

The Global Forum on Transparency and Exchange of Information for Tax Purposes has played a critical role in ensuring that the international standard of exchange of information on request endorsed by the G20 is implemented effectively around the world. Since the Global Forum responded in 2009 to the G20's call to ensure rapid implementation of its standards of transparency and exchange of information, the Global Forum has completed 113 peer review reports and has issued over 600 recommendations for improvement, with more than 300 of those recommendations having been acted upon to date. The number of jurisdictions that have committed to implement the standards and have joined the Global Forum has increased to 120. All but 14 of the jurisdictions reviewed have advanced to Phase 2 reviews, thus demonstrating the effectiveness of the peer review process in achieving the implementation of the standards. Those 14 jurisdictions are urged to implement the Global Forum's recommendations without further delay. In July 2013, G20 Finance Ministers and Central Bank Governors asked the Global Forum to give overall ratings of exchange of information on request at its meeting in November 2013. The Global forum will draw on the work of FATF on beneficial ownership and ensure that all countries have information regarding the beneficial ownership of entities operating in their jurisdictions.

The G20 has now endorsed the development of a new global tax standard: to automatic exchange of information. At the Cannes Summit in 2011, the G20 agreed to consider exchanging information automatically for tax purposes on a voluntary basis. In 2012, the Los Cabos Summit welcomed the OECD report on automatic exchange and encouraged all countries to join this practice. Given the developments in the Global Forum and other recent advances, it is now time to migrate to a more ambitious, more efficient and higher standard, which is automatic exchange of information. Recent developments involving undisclosed foreign bank accounts have also highlighted the urgent need to move to this new standard which the Global Forum will monitor to ensure its effective implementation. In July 2013, G20 Finance Ministers and Central Bank Governors fully endorsed the ambitious OECD proposal for a truly global model for multilateral and bilateral automatic exchange of information for tax purposes and declared their commitment to automatic exchange of information *as the new global standard. The OECD has initiated work with G20 countries to develop the new single global standard for automatic exchange of information. G20 Finance Ministers and Central Bank Governors have mandated the OECD to provide a progress report at the October Finance Ministers' meeting, including a timeline for completing this work in 2014. The new standard (included in a Model Competent Authority Agreement) will be presented at G20 Finance Ministers and Central Bank Governors' meeting in February 2014. There is a clear need for the practical and full implementation of this new tax standard on a global scale. The Global Forum will establish a mechanism to monitor and review the implementation of the new standard on automatic exchange of information and will be working with the OECD Task Force on Tax and Development, the World Bank Group and others to help developing countries identify their need for technical assistance and capacity building.*

G20 Finance Ministers and Central Bank Governors, Cairns, 20-21 September 2014, paragraph 8

We are strongly committed to a global response to cross-border tax avoidance and evasion so that the tax system supports growth-enhancing fiscal strategies and economic resilience. Today, we welcome the significant progress achieved towards the completion of our two-year G20/OECD Base Erosion and Profit Shifting (BEPS) Action Plan and commit to finalising all action items in 2015. We endorse the finalised global Common Reporting Standard for automatic exchange of tax information on a reciprocal basis which will provide a step-change in our ability to tackle and deter cross-border tax evasion. We will begin exchanging information automatically between each other and with other countries by 2017 or end-2018, subject to the completion of necessary legislative procedures. We call on all financial centres to make this commitment by the time of the Global Forum meeting in Berlin, to be reported at the Brisbane Summit, and support efforts to monitor global implementation of the new global standard. We support further coordination and collaboration by our tax authorities on their compliance activities on entities and individuals involved in cross-border tax arrangements. We welcome progress so far, and encourage further steps by G20 countries to deliver the St Petersburg commitment to lead by example in meeting the Financial Action Task Force standards on beneficial ownership. We will continue to take practical steps to assist developing countries preserve and grow their revenue bases and stand ready to help those that wish to participate in automatic information exchange. We are deepening developing country engagement in tackling BEPS issues and ensuring that their concerns are addressed.

G20 Finance Ministers and Central Bank Governors, Sydney, 22-23 February 2014, paragraph 9

We are committed to a global response to Base Erosion and Profit Shifting (BEPS) based on sound tax policy principles. Profits should be taxed where economic activities deriving the profits are performed and where value is created. We continue our full support for the G20/OECD BEPS Action Plan, and look forward to progress as set out in the agreed timetable. By the Brisbane summit, we will start to deliver effective, practical and sustainable measures to counter BEPS across all industries, including traditional, digital and digitalised firms, in an increasingly globalised economy. We endorse the Common Reporting Standard for automatic exchange of tax information on a reciprocal basis and will work with all relevant parties, including our financial institutions, to detail our implementation plan at our September meeting. In parallel, we expect to begin to exchange information automatically on tax matters among G20 members by the end of 2015. We call for the early adoption of the standard by those jurisdictions that are able to do so. We call on all financial centres to match our commitments. We urge all jurisdictions that have not yet complied with the existing standard for exchange of information on request to do so and sign the Multilateral Convention on Mutual Administrative Assistance in Tax Matters without further delay. We stand ready to give tougher incentives to those 14 jurisdictions that have not qualified for Phase 2 of the evaluations. We will engage with, and support low-income and developing countries so that they benefit from our work on tax.

ANNEX 4: PHASE 1 AND PHASE 2 REVIEWS

Table 1: Jurisdictions that have undergone only Phase 1 Reviews

			Availability of Information			Access to Information		Exchange of Information					
	Jurisdiction	Type of Review	A1 – Ownership	A2 - Accounting	A3 – Bank	B1 – Access Powers	B2 – Rights and Safeguards	C1 – EOI instruments	C2 – Network of Agreements	C3 – Confidentiality	C4 – Rights and Safeguards	C5 – Timely EOI	Move to Phase 2
1	Aruba	Phase 1	In place, but	In place	In place	In place, but	In place, but	In place, but	In place, but	In place	In place	Not assessed	Yes
2	Botswana	Phase 1 + Supplementary	In place, but	In place, but	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
3	Brunei	Phase 1	Not in place	Not in place	In place	Not in place	In place	Not in place	Not in place	In place	In place	Not assessed	No
4	Colombia	Phase 1	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
5	Cook Islands	Phase 1	In place, but	Not in place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
6	Costa Rica	Phase 1 + Supplementary	Not in place	In place, but	In place	In place	In place	In place, but	In place	In place	In place	Not assessed	Yes
7	Curacao	Phase 1	In place, but	In place	In place	In place	In place, but	In place, but	In place, but	In place	In place	Not assessed	Yes
8	Czech Republic	Phase 1	Not in place	In place	In place	In place, but	In place	In place	In place	In place	In place, but	Not assessed	Yes
9	Dominica	Phase 1	In place, but	Not in place	In place	Not in place	In place	Not in place	In place, but	In place, but	In place	Not assessed	No
10	Federated States of Micronesia	Phase 1	In place, but	Not in place	In place	Not in place	Not assessed	Not in place	Not in place	Not in place	Not in place	Not assessed	No
11	Georgia	Phase 1	In place, but	In place	In place	In place, but	In place	In place, but	In place	In place	In place	Not assessed	Yes
12	Guatemala	Phase 1	Not in place	In place	In place	Not in place	In place, but	Not in place	Not in place	In place	In place	Not assessed	No
13	Hungary	Phase 1	Not in place	In place, but	In place	In place, but	In place, but	In place, but	In place	In place	In place, but	Not assessed	Yes
14	Kenya	Phase 1	In place, but	In place	In place	In place	In place	In place, but	In place	In place	In place	Not assessed	Yes
15	Latvia	Phase 1	In place	In place	In place	In place, but	In place	In place, but	In place	In place	In place, but	Not assessed	Yes
16	Lebanon	Phase 1	Not in place	In place, but	In place	Not in place	In place	Not in place	Not in place	In place	In place	Not assessed	No
17	Liberia	Phase 1	Not in place	Not in place	In place	In place	In place	In place	In place	In place	In place	Not assessed	No

			Availability of Information			Access to Information		Exchange of Information					
	Jurisdiction	Type of Review	A1 – Ownership	A2 - Accounting	A3 – Bank	B1 – Access Powers	B2 – Rights and Safeguards	C1 – EOI instruments	C2 – Network of Agreements	C3 – Confidentiality	C4 – Rights and Safeguards	C5 – Timely EOI	Move to Phase 2
18	Liechtenstein	Phase 1 + Supplementary	Not in place	In place	In place	In place	In place, but	In place, but	In place	In place	In place	Not assessed	Yes
19	Lithuania	Phase 1	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
20	Marshall Islands	Phase 1	Not in place	Not in place	In place	In place, but	In place	In place, but	In place	In place	In place	Not assessed	No
21	Nauru	Phase 1	Not in place	Not in place	In place	Not in place	Not assessed	Not in place	Not in place	Not in place	Not in place	Not assessed	No
22	Nigeria	Phase 1	In place, but	In place, but	In place	In place	In place	In place, but	In place, but	In place	In place	Not assessed	Yes
23	Niue	Phase 1 + Supplementary	In place, but	In place, but	In place	In place	In place	In place	In place, but	In place	In place	Not assessed	Yes
24	Panama	Phase 1 + Supplementary	Not in place	Not in place	In place	In place	In place	In place	In place, but	In place	In place	Not assessed	No
25	Poland	Phase 1	Not in place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
26	Portugal	Phase 1	In place, but	In place	In place	In place	In place, but	In place	In place	In place	In place	Not assessed	Yes
27	Samoa	Phase 1	In place, but	Not in place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
28	St. Maarten	Phase 1	In place, but	In place	In place	In place	In place, but	In place, but	In place, but	In place	In place	Not assessed	Yes
29	Saudi Arabia	Phase 1	In place	In place	In place	In place, but	In place	In place, but	In place, but	In place	In place	Not assessed	Yes
30	Switzerland	Phase 1	Not in place	In place	In place	In place, but	In place, but	Not in place	In place, but	In place	In place	Not assessed	Conditional
31	Trinidad and Tobago	Phase 1	In place, but	In place	In place	Not in place	In place, but	Not in place	Not in place	In place	In place	Not assessed	No
32	United Arab Emirates	Phase 1 + Supplementary	In place, but	In place, but	In place	In place, but	In place	In place, but	In place	In place	In place	Not assessed	Yes
33	Uruguay	Phase 1 + Supplementary	In place, but	In place	In place	In place, but	In place, but	In place	In place	In place	In place	Not assessed	Yes
34	Vanuatu	Phase 1	In place, but	Not in place	In place	Not in place	Not assessed	Not in place	Not in place	In place	In place	Not assessed	No

Table 2: Jurisdictions that have undergone both Phase 1 and Phase 2 Reviews

				Availability of information			Access to information		Exchange of information					
	Jurisdiction	Type of Review	Type of Evaluation	A1 – Ownership	A2 - Accounting	A3 – Bank	B1 – Access Powers	B2 – Rights and Safeguards	C1 – EOI instruments	C2 – Network of Agreements	C3 – Confidentiality	C4 – Rights and Safeguards	C5 –Timely EOI	Overall Rating
1	Andorra	Phase 1 + Phase 2	Phase 1 Determination	In place	In place, but	In place	In place, but	In place, but	In place, but	In place	In place, but	In place	Not assessed	Partially Compliant
			Phase 2 Rating	Largely Compliant	Largely Compliant	Compliant	Partially Compliant	Partially Compliant	Largely Compliant	Compliant	Partially Compliant	Compliant	Partially Compliant	
2	Anguilla	Phase 1 + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Partially Compliant
			Phase 2 Rating	Partially Compliant	Partially Compliant	Compliant	Partially Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	
3	Antigua and Barbuda	Phase 1 + Supplementary + Phase 2	Phase 1 Determination	In place	Not in place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Partially Compliant
			Phase 2 Rating	Largely Compliant	Non-Compliant	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Largely Compliant	Compliant	Largely Compliant	
4	Argentina	Combined	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place, but	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	Compliant	Compliant	Partially Compliant	
5	Australia	Combined	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
6	Austria	Phase 1 + Phase 2	Phase 1 Determination	Not in place	In place	In place	In place, but	In place, but	In place, but	In place, but	In place	In place	Not assessed	Partially Compliant
			Phase 2 Rating	Non-compliant	Compliant	Compliant	Partially Compliant	Partially Compliant	Partially Compliant	Largely Compliant	Largely Compliant	Compliant	Compliant	
7	The Bahamas	Phase 1 + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
8	Bahrain	Phase 1 + Phase 2	Phase 1 Determination	In place	In place, but	In place	In place, but	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Partially Compliant	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	
9	Barbados	Phase 1 + Phase 2	Phase 1 Determination	In place, but	In place, but	In place	In place, but	In place	In place	Not in place	In place	In place	Not assessed	Partially Compliant
			Phase 2 Rating	Largely Compliant	Largely Compliant	Compliant	Largely Compliant	Compliant	Largely Compliant	Non-Compliant	Compliant	Compliant	Partially Compliant	

	Jurisdiction	Type of Review	Type of Evaluation	Availability of information			Access to information		Exchange of information					Overall Rating
				A1 – Ownership	A2 - Accounting	A3 – Bank	B1 – Access Powers	B2 – Rights and Safeguards	C1 – EOI instruments	C2 – Network of Agreements	C3 – Confidentiality	C4 – Rights and Safeguards	C5 –Timely EOI	
10	Belgium	Phase 1 + Supplementary + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	
11	Belize	Phase 1 + Phase 2	Phase 1 Determination	Not in place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Partially Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	
12	Bermuda	Phase 1 + Supplementary + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	Compliant	Compliant	
13	Brazil	Phase 1 + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place, but	In place, but	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Partially Compliant	Largely Compliant	Compliant	Compliant	Compliant	Partially Compliant	
14	Canada	Combined	Phase 1 Determination	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
15	Cayman Islands	Phase 1 + Supplementary + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
16	Chile	Phase 1 + Phase 2	Phase 1 Determination	In place	In place	In place	In place, but	In place, but	In place, but	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Compliant	Compliant	Partially Compliant	Partially Compliant	Largely Compliant	Compliant	Compliant	Compliant	Largely Compliant	
17	China	Combined	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
18	Cyprus*	Phase 1 + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place, but	In place	In place	Not assessed	Non-compliant
			Phase 2 Rating	Partially Compliant	Non-compliant	Compliant	Non-compliant	Compliant	Compliant	Largely Compliant	Compliant	Compliant	Partially Compliant	
19	Denmark	Combined	Phase 1 Determination	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	

				Availability of information			Access to information		Exchange of information					
	Jurisdiction	Type of Review	Type of Evaluation	A1 – Ownership	A2 - Accounting	A3 – Bank	B1 – Access Powers	B2 – Rights and Safeguards	C1 – EOI instruments	C2 – Network of Agreements	C3 – Confidentiality	C4 – Rights and Safeguards	C5 –Timely EOI	Overall Rating
20	Estonia	Phase 1 + Supplementary + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	Largely Compliant	Compliant	Compliant	
21	Finland	Combined	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
22	France	Combined	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
23	FYROM	Phase 1 + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Compliant	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
24	Germany	Combined	Phase 1 Determination	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Compliant	Compliant	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	
25	Ghana	Phase 1 + Phase 2	Phase 1 Determination	In place, but	In place, but	In place	In place	In place	In place, but	In place, but	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Partially Compliant	
26	Gibraltar	Phase 1 + Phase 2	Phase 1 Determination	In place, but	Not in place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	Compliant	Largely Compliant	
27	Greece	Combined	Phase 1 Determination	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Partially Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Largely Compliant	
28	Grenada	Phase 1 + Phase 2	Phase 1 Determination	In place, but	Not in place	In place	In place, but	In place	In place, but	In place, but	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Compliant	Compliant	Largely Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	
29	Guernsey	Phase 1 + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	Compliant	Compliant	
30	Hong Kong, China	Phase 1 + Phase 2	Phase 1 Determination	In place, but	In place	In place	In place	In place	In place	In place, but	In place	In place	Not assessed	Largely Compliant

	Jurisdiction	Type of Review	Type of Evaluation	Availability of information			Access to information		Exchange of information					Overall Rating
				A1 – Ownership	A2 - Accounting	A3 – Bank	B1 – Access Powers	B2 – Rights and Safeguards	C1 – EOI instruments	C2 – Network of Agreements	C3 – Confidentiality	C4 – Rights and Safeguards	C5 –Timely EOI	
			Phase 2 Rating	Partially Compliant	Largely Compliant	Compliant	Compliant	Compliant	Largely Compliant	Partially Compliant	Compliant	Compliant	Compliant	
31	Iceland	Combined	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
32	India	Phase 1 + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
33	Indonesia	Phase 1 + Phase 2	Phase 1 Determination	In place	In place	In place	Not in place	In place	In place, but	In place	In place	In place	Not assessed	Partially Compliant
			Phase 2 Rating	Largely Compliant	Compliant	Compliant	Non-Compliant	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Largely Compliant	
34	Ireland	Combined	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
35	Isle of Man	Combined	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	Compliant	Compliant	
36	Israel	Phase 1 + Phase 2	Phase 1 Determination	Not in place	In place, but	In place, but	In place, but	In place	In place, but	In place, but	In place	In place	Not assessed	Partially Compliant
			Phase 2 Rating	Largely Compliant	Largely Compliant	Largely Compliant	Partially Compliant	Compliant	Partially Compliant	Largely Compliant	Compliant	Compliant	Partially Compliant	
37	Italy	Combined	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Largely Compliant	
38	Jamaica	Phase 1 + Phase 2	Phase 1 Determination	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Partially Compliant	Largely Compliant	Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Compliant	Compliant	Largely Compliant	
39	Japan	Combined	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	
40	Jersey	Combined + Supplementary	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Compliant	Largely Compliant	Compliant	Compliant	

				Availability of information			Access to information		Exchange of information					
	Jurisdiction	Type of Review	Type of Evaluation	A1 – Ownership	A2 - Accounting	A3 – Bank	B1 – Access Powers	B2 – Rights and Safeguards	C1 – EOI instruments	C2 – Network of Agreements	C3 – Confidentiality	C4 – Rights and Safeguards	C5 –Timely EOI	Overall Rating
41	Korea, Republic of	Combined	Phase 1 Determination	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
42	Luxembourg	Phase 1 + Phase 2	Phase 1 Determination	Not in place	In place	In place	In place, but	In place	In place, but	In place	In place	In place	Not assessed	Non-compliant
			Phase 2 Rating	Non-compliant	Compliant	Compliant	Non-compliant	Partially Compliant	Non-compliant	Largely Compliant	Partially Compliant	Non-compliant	Partially Compliant	
43	Macao, China	Phase 1 + Phase 2	Phase 1 Determination	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Partially Compliant	Compliant	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	
44	Malaysia	Phase 1 + Phase 2	Phase 1 Determination	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Partially Compliant	Largely Compliant	Compliant	Partially Compliant	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Largely Compliant	
45	Malta	Phase 1 + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
46	Mauritius	Combined + Supplementary (x2)	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
47	Mexico	Phase 1 + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
48	Monaco	Phase 1 + Supplementary + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place, but	In place	In place, but	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Compliant	Largely Compliant	Compliant	Compliant	Partially Compliant	Compliant	Largely Compliant	Compliant	Compliant	Largely Compliant	
49	Montserrat	Phase 1 + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Largely Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	
50	Netherlands	Combined	Phase 1 Determination	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Compliant	Compliant	Compliant	Largely Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	

	Jurisdiction	Type of Review	Type of Evaluation	Availability of information			Access to information		Exchange of information					Overall Rating
				A1 – Ownership	A2 - Accounting	A3 – Bank	B1 – Access Powers	B2 – Rights and Safeguards	C1 – EOI instruments	C2 – Network of Agreements	C3 – Confidentiality	C4 – Rights and Safeguards	C5 –Timely EOI	
51	New Zealand	Combined	Phase 1 Determination	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
52	Norway	Combined	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
53	Philippines	Phase 1 + Phase 2	Phase 1 Determination	In place	In place, but	In place	In place	In place	In place, but	In place, but	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Partially Compliant	Compliant	Compliant	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Largely Compliant	
54	Qatar	Phase 1 + Supplementary + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	
55	Russia	Phase 1 + Phase 2	Phase 1 Determination	In place, but	In place	In place, but	In place, but	In place	In place, but	In place, but	In place, but	In place, but	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Compliant	Largely Compliant	Partially Compliant	Compliant	Largely Compliant	Largely Compliant	Compliant	Largely Compliant	Compliant	
56	St. Kitts and Nevis	Phase 1 + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	
57	St. Lucia	Phase 1 + Phase 2	Phase 1 Determination	In place	Not in place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Partially Compliant
			Phase 2 Rating	Largely Compliant	Non-Compliant	Compliant	Partially Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	
58	San Marino	Phase 1 + Supplementary + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	
59	The Seychelles	Phase 1 + Supplementary + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place, but	In place, but	In place	In place	Not assessed	Non-compliant
			Phase 2 Rating	Non-compliant	Non-compliant	Compliant	Compliant	Compliant	Partially Compliant	Partially Compliant	Compliant	Compliant	Largely Compliant	
60	Singapore	Phase 1 + Phase 2	Phase 1 Determination	In place	In place	In place	In place, but	In place	In place, but	In place, but	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Largely Compliant	Compliant	Largely Compliant	Largely Compliant	Compliant	Compliant	Compliant	

				Availability of information			Access to information		Exchange of information					
	Jurisdiction	Type of Review	Type of Evaluation	A1 – Ownership	A2 - Accounting	A3 – Bank	B1 – Access Powers	B2 – Rights and Safeguards	C1 – EOI instruments	C2 – Network of Agreements	C3 – Confidentiality	C4 – Rights and Safeguards	C5 –Timely EOI	Overall Rating
61	Slovak Republic	Phase 1 + Phase 2	Phase 1 Determination	In place, but	In place	In place	In place, but	In place	In place	In place	In place, but	In place, but	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Compliant	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Partially Compliant	Largely Compliant	Largely Compliant	
62	Slovenia	Phase 1 + Phase 2	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
63	South Africa	Combined	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
64	Spain	Combined	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place, but	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	Compliant	Compliant	Compliant	
65	St. Vincent and the Grenadines	Phase 1 + Phase 2	Phase 1 Determination	In place, but	Not in place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Largely Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	
66	Sweden	Combined	Phase 1 Determination	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Compliant
			Phase 2 Rating	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
67	Turkey	Combined	Phase 1 Determination	Not in place	In place	In place	In place, but	In place	In place, but	In place	In place	In place, but	Not assessed	Partially Compliant
			Phase 2 Rating	Non-Compliant	Compliant	Compliant	Partially Compliant	Compliant	Largely Compliant	Compliant	Compliant	Largely Compliant	Partially Compliant	
68	Turks and Caicos	Phase 1 + Supplementary + Phase 2	Phase 1 Determination	In place	In place, but	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	
69	United Kingdom	Combined + Supplementary	Phase 1 Determination	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Compliant	Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Largely Compliant	
70	United States	Combined	Phase 1 Determination	In place, but	In place, but	In place	In place	In place	In place	In place	In place	In place	Not assessed	Largely Compliant
			Phase 2 Rating	Largely Compliant	Largely Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
71	Virgin Islands (British)	Phase 1 + Supplementary	Phase 1 Determination	In place	In place, but	In place	In place	In place	In place	In place	In place	In place	Not assessed	Non-compliant

				Availability of information			Access to information		Exchange of information					
	Jurisdiction	Type of Review	Type of Evaluation	A1 – Ownership	A2 - Accounting	A3 – Bank	B1 – Access Powers	B2 – Rights and Safeguards	C1 – EOI instruments	C2 – Network of Agreements	C3 – Confidentiality	C4 – Rights and Safeguards	C5 –Timely EOI	Overall Rating
		+ Phase 2	Phase 2 Rating	Partially Compliant	Non-compliant	Compliant	Non-compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Non-compliant	

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

ANNEX 5: SCHEDULE OF REVIEWS

The following factors were taken into account in developing the schedule:

- Achieving a regional balance, a balance between OECD and non OECD reviews over the period of the mandate and a balance between those that committed to the standard early and those that have made more recent commitments.

- Jurisdictions lacking exchange of information agreements have been scheduled later for Phase 2 reviews as they do not have sufficient experience in implementing the standard in practice.
- The schedule takes into account exceptional circumstances so as not to overburden jurisdictions which would undergo other peer reviews around the same time (for instance FATF).
- Jurisdictions which are not members of the Global Forum but are considered to be relevant to be reviewed have been scheduled early for Phase 1 reviews.

Note that the schedule is provisional, particularly as relates to Phase 2 reviews, and may need to be adjusted to take account of circumstances as they arise.

Global Forum on Transparency and Exchange of Information for Tax Purposes

2010				2011			
1st Half		2nd Half		1st Half		2nd Half	
Australia	**Canada**	Belgium	Bahrain	Anguilla	Andorra	Chile	Cook Islands
Barbados	**Denmark**	**France**	Estonia	Antigua and Barbuda	Brazil	**China**	Czech Republic
Bermuda	**Germany**	**Isle of Man**	Guernsey	Turks and Caicos	Brunei	Costa Rica	Grenada
Botswana	India	**Italy**	Hungary	Austria	Hong Kong, China	Cyprus	Liberia
Cayman Islands	Jamaica	Liechtenstein	**Japan**	British Virgin Islands	Macao, China	Gibraltar	Malta
Ghana	**Jersey**	**New Zealand**	Philippines	Indonesia	Malaysia	**Greece**	Russian Federation
Ireland	Monaco	San Marino	Singapore	Luxembourg	**Spain**	Guatemala	Saint Lucia
Mauritius	Panama	Saudi Arabia	Switzerland	**Netherlands**	United Arab Emirates	**Korea**	Slovak Republic
Norway	Seychelles	The Bahamas	Aruba	Curaçao	Uruguay	Mexico	**South Africa**
Qatar	Trin. and Tobago	**United States**	**United Kingdom**	Saint Kitts and Nevis	Vanuatu	Montserrat	St. Vincent and the Gren.
				Former Yugoslav Republic of Macedonia			Sint Maarten
				Lebanon			

Phase 1 review
Phase 2 review
Combined review

2012				2013			
1st Half		2nd Half		1st Half		2nd Half	
Samoa	**Turkey**	Belgium	British Virgin Islands	Bahrain	Malaysia	Anguilla	Andorra
Argentina	Portugal	Bermuda	Austria	Estonia	Slovak Republic	Antigua and Barbuda	Ghana
Belize	**Finland**	Cayman Islands	Hong Kong, China	Jamaica	Slovenia	Chile	Grenada
Dominica	**Sweden**	Cyprus	India	Philippines	Vanuatu*	Former Yugoslav Republic of Macedonia	Israel
Israel	**Iceland**	Guernsey	Luxembourg	Turks and Caicos	Indonesia	Guatemala*	Liberia*
Marshall Islands	Slovenia	Malta	Monaco	Barbados	Seychelles	Mexico	Russian Federation
Nauru	Brazil	Qatar	Panama*	Brunei*	Colombia	Montserrat	Saint Kitts and Nevis
Niue		San Marino	Switzerland*	Macao, China	Georgia	Trinidad and Tobago*	Saint Lucia
Poland		Singapore	Federated States of Micronesia	Lithuania	Nigeria	Latvia	St. Vincent and the Grenadines
		The Bahamas		Kenya			Lebanon*

Phase 1 review
Phase 2 review
Combined review
*This Phase 2 review is delayed; see Phase 1 report for this jurisdiction for details.

2014				2015			
1st Half		2nd Half		1st Half		2nd Half	
Belize	Czech Republic	Liechtenstein	Costa Rica	Kenya	El Salvador	Albania	Uganda
Dominica*	Gibraltar	Samoa	Lithuania	Colombia	Mauritania	Gabon	Lesotho
Marshall Islands*	Hungary	Albania	Georgia	Nigeria	Morocco	Kazakhstan	Burkina Faso
Nauru*	Curaçao	Burkina Faso	Latvia	Federated States of Micronesia*	Botswana	Pakistan	Cameroon
Cook Islands	Poland	Cameroon	Lesotho	Croatia	Saudi Arabia	Senegal	Azerbaijan
Portugal	Sint Maarten	Gabon	Azerbaijan		United Arab Emirates	Ukraine	Romania
Uruguay	El Salvador	Kazakhstan	Romania		Niue	Peru	Dominican Republic
Aruba	Mauritania	Pakistan	Dominican Republic		Tunisia		Ukraine
	Morocco	Senegal					
	Tunisia	Uganda					

Phase 1 review
Phase 2 review
Combined review
*This Phase 2 review is delayed; see Phase 1 report for this jurisdiction for details.

ANNEX 6: LIST OF MEMBERS AND OBSERVERS

Albania

Andorra

Anguilla

Antigua and Barbuda

Argentina

Aruba

Australia

Austria

Azerbaijan

The Bahamas

Bahrain

Barbados

Belgium

Belize

Bermuda

Botswana

Brazil

British Virgin Islands

Brunei Darussalam

Burkina Faso

Kazakhstan

Kenya

Korea

Latvia

Lesotho

Liberia

Liechtenstein

Lithuania

Luxembourg

Macao, China

Malaysia

Malta

Marshall Islands

Mauritania

Mauritius

Mexico

Monaco

Montserrat

Morocco

Nauru

Cameroon	Netherlands
Canada	New Zealand
Cayman Islands	Nigeria
Chile	Niue
China	Norway
Colombia	Pakistan
Cook Islands	Panama
Costa Rica	Peru
Croatia	Philippines
Curaçao	Poland
Cyprus[13],[14]	Portugal
Czech Republic	Qatar
Denmark	Romania
Dominica	Russian Federation
Dominican Republic	St. Kitts and Nevis
El Salvador	St. Lucia
Estonia	Sint Maarten
Finland	St. Vincent and the Grenadines

13 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 Islands. Turkey recognizes 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".

14 Note by all the European Union Member States of the OECD and the European Commission: The Republic of Cyprus is recognized 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.

Former Yugoslav Republic of Macedonia (FYROM)	Samoa
France	San Marino
Gabon	Saudi Arabia
Georgia	Senegal
Germany	Seychelles
Ghana	Singapore
Gibraltar	Slovak Republic
Greece	Slovenia
Grenada	South Africa
Guatemala	Spain
Guernsey	Sweden
Hong Kong, China	Switzerland
Hungary	Trinidad and Tobago
Iceland	Tunisia
India	Turkey
Indonesia	Turks and Caicos Islands
Ireland	Uganda
Isle of Man	Ukraine
Israel	United Arab Emirates
Italy	United Kingdom
Jamaica	United States

Japan	Uruguay
Jersey	Vanuatu
	European Union

Observers of the Global Forum

African Tax Administration Forum (ATAF)	Inter American Center of Tax Administrations (CIAT)
Asian Development Bank	Inter-American Development Bank
Caribbean Community (CARICOM)	International Finance Corporation
Centre de Rencontre des Administrations Fiscales (CREDAF)	International Monetary Fund
Commonwealth Secretariat	United Nations
European Bank for Reconstruction and Development	World Bank Group
European Investment Bank	World Customs Organisation

ANNEX 7: STATEMENT OF OUTCOMES: BERLIN GLOBAL FORUM MEETING (29-29 OCTOBER 2014)

On line version: www.oecd.org/tax/transparency/statement-of-outcomes-gfberlin.pdf

1. On 28-29 October 2014, over 300 delegates from 101 jurisdictions and 14 international organisations and regional groups came together in Berlin, Germany, for the 7th meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum). The Global Forum welcomed Croatia and Peru as new members which have joined since its last meeting, bringing the membership of the Global Forum to 123 members. Many delegations were represented at a very high level, including Ministers from Albania, Aruba, Barbados, British Virgin Islands, Burkina Faso, Cayman Islands, Croatia, Czech Republic, Estonia, Georgia, Germany, Ghana, Gibraltar, Iceland, Isle of Man, Jersey, Latvia, Liechtenstein, Lithuania, Luxembourg, Monaco, Norway, San Marino, the Seychelles, Slovenia, South Africa and Trinidad and Tobago.

2. The major outcome of the meeting was the resolve of Global Forum members to take tax transparency to a new level. This is evidenced by the following:

- the commitments by an overwhelming majority of Global Forum members to implement the new standard on Automatic Exchange of Information (AEOI) by 2017 or by end 2018 accompanied by an expression of support for its members, in particular developing countries, to participate in the new, transparent EOI environment;

- the adoption, in principle, of revisions to the Terms of Reference, which will now include a requirement to maintain beneficial ownership information, to ensure that the standard on exchange of information on request continues to reflect the evolution of the dynamic EOI environment; the changes will be applicable to the next round of reviews for EOI on request (starting in 2016); and

- pledging greater support to developing countries including through facilitating their participation in AEOI and the launch of the Africa Initiative – a 3 year project to raise awareness and build the tools to foster effective EOI – led by African members and the Chair of the Global Forum with the collaboration of the Global Forum, ATAF, CREDAF, the OECD and the World Bank Group.

3. The Global Forum will, over the coming year, develop the detailed Terms of Reference and Methodology for AEOI peer reviews and revise the Terms of Reference and Methodology for the next round of peer reviews for EOI on request. With the next round of reviews on the horizon, a mechanism has also been agreed to incentivise jurisdictions that are still not in a position to move to Phase 2. Reviews for both EOI on Request and AEOI will take the Global Forum into the next decade and so it was agreed to extend its mandate to the end of 2020.

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

Automatic Exchange of Information

5. The Global Forum endorsed the new standard on AEOI, developed by the OECD and G20 countries, and welcomed the commitments made by a large majority of its members to implement this standard. A total of 89 Global Forum member jurisdictions have committed to implement reciprocal exchange of information on financial accounts on an automatic basis, with the first exchanges starting from

2017 or 2018 subject to the completion of necessary legislative procedures (see Appendix 2 for a status of commitments). To further review the implementation of the new AEOI standard, the Global Forum welcomed the work done by the AEOI Group in 2014 in preparing the draft high level Terms of Reference and a draft Methodology for an AEOI peer review process. In 2015, jurisdictions will provide AEOI implementation plans so that a report can be made to the Global Forum plenary next year. Reviews are expected to start in 2016, as the legal and regulatory frameworks of jurisdictions committed to first exchanges in 2017 should be finalised by then. The AEOI Group was mandated to finalise the detailed Terms of Reference, a Methodology and a Schedule of Reviews for the approval of the Global Forum at its next plenary meeting.

6. With regard to the developing countries that do not have financial centres and that have not already indicated their commitment to AEOI, it was widely recognised that it may not be feasible for them to commit to the new standard at this time on account of capacity constraints, so they were not asked to make a similar commitment. The Global Forum will help its developing country members to implement the new standard on AEOI, and will, in cooperation with the World Bank Group and other international organisations, facilitate pilot projects as endorsed by the G20. Some developing countries are also financial centres, and their needs for assistance should also be taken into account to ensure timely implementation of the new standard. Assistance to these jurisdictions in understanding and implementing the new standard on AEOI will also be provided.

EOI on request – the next round

7. Prior to commencing the next round of reviews in respect of EOI on request, the Global Forum will amend the existing Terms of Reference in light of the experience gained from the peer reviews, and in light of international developments. Key changes agreed include a requirement to maintain beneficial ownership information, the incorporation of the 2012 update to Article 26 of the OECD Model Tax Convention and its Commentary, which now clearly provides for group requests, and a more in-depth assessment of the completeness and quality of EOI exchanges. The Global Forum also agreed that the Terms of Reference be strengthened in respect of enforcement measures, the record retention periods, foreign companies and post-exchange notification requirements.

8. Members also agreed on the broad principles for the new Methodology for the next round of reviews to commence in 2016. All jurisdictions already reviewed (and any new members that join subsequently) will undergo one review covering both the legal framework and its practical implementation against the new Terms of Reference. A new Schedule of Reviews to be prepared for this purpose will follow the current schedule as closely as possible.

9. The Peer Review Group (PRG) was mandated to draft and propose specific changes to the Terms of Reference, a new Methodology, as well as a new Schedule of Reviews, for adoption by the Global Forum by mid-2015.

Technical Assistance

10. The Global Forum welcomed the launch of the Africa Initiative (see Appendix 2) as a joint effort with individual African members of the Global Forum, ATAF, CREDAF, the OECD and the World Bank Group. For maximum impact, the Africa Initiative is targeted at senior levels of leadership, and envisages a dynamic program of events over the next three years aimed at raising awareness predominantly in the first year (2015), moving gradually to putting in place the tools that are needed to build effective EOI systems in the second and third year (2016 and 2017).

11. In addition to the Africa Initiative and the support for developing country participation in AEOI, the Global Forum will continue its technical assistance work on helping jurisdictions with capacity constraints to meet the international standard for EOI on request.

Peer Reviews and Ratings

12. The Global Forum adopted and published an additional seven peer review reports (the Phase 2 reviews of Belize, Ghana, Gibraltar, Grenada, Israel, the Russian Federation and Saint Vincent and the Grenadines). With the adoption of 5 Phase 1 and 21 Phase 2 reviews since its last meeting, the Global Forum has completed 150 peer reviews, which include 79 Phase 1 reviews, 26 Combined (Phase 1 + Phase 2) reviews and 45 Phase 2 reviews. The overall ratings show that 20 jurisdictions are rated as "Compliant", 38 jurisdictions as "Largely Compliant", 9 jurisdictions as "Partially Compliant" and 4 jurisdictions as "Non-Compliant". The progress with the peer reviews and the assigned ratings are reflected in the Global Forum's 2014 Annual Report "Tax Transparency 2014: Report on Progress", which was published today by the Global Forum. The Annual Report also highlights the effectiveness of exchange of information and the increased level of cooperation between tax authorities.

13. In the past year, the supplementary reports on three jurisdictions (i.e. Botswana, Niue and the United Arab Emirates) concluded that they had made sufficient progress to be able to move to Phase 2. Though progress has been made in other cases, there are 12 jurisdictions which, in the course of their Phase 1 reviews, were determined to be unable to move to Phase 2 until their legal and regulatory frameworks for exchange of information in tax matters are improved. In order to encourage these jurisdictions to make the necessary changes, and to ensure a level playing field, the Global Forum agreed to invite jurisdictions that remain blocked for more than 2 years to request supplementary reviews within the next six months to assess whether sufficient progress has been made. It was also decided that failure to make a request or failure to move to Phase 2 following a supplementary review would lead to a Non-Compliant rating being assigned.

Governance and budget

14. Recognising the implications for the Global Forum's work on the new round of reviews in respect of EOI on request, as well as the monitoring of the implementation of the new standard on AEOI, the Global Forum agreed to an extension of its mandate for another five years until the end of 2020. In addition, the Steering Group was mandated to work out substantive details of the extended mandate, in particular to specifically include the work on AEOI, in sufficient time for an agreement to be reached at next year's Global Forum meeting.

15. Under its rotation mechanism, the Global Forum also agreed to rotate the membership of the Steering Group and the PRG. In the Steering Group, Barbados will replace Bermuda in 2015 for a two year term, and was also elected as a new Vice-Chair in place of Bermuda. Two new members, Georgia and Uruguay, will join the PRG for a term of three years. The Netherlands will leave the PRG to accommodate the addition of the new members (only 29 of the 30 seats were occupied). In addition, the United Kingdom will replace Japan as a Vice Chair of the PRG. Finally, Mr. Kosie Louw from South Africa was elected for a new two year term as Chair of the Global Forum. The Global Forum also agreed to review the governance of the Global Forum and in particular to evaluate the current rotation mechanism with a view to making it more predictable and more efficient.

16. An intermediate financial report for 2014 was considered and the Global Forum adopted the proposed budget for 2015 and 2016. The Global Forum decided to provide Mauritania and Nauru a final opportunity to pay their outstanding membership fees and to exclude them from membership if they do not. Although given the expansion of its work, overall expenditure is expected to increase over the next two

years, the Global Forum agreed to use the available surplus from past years and not to increase the membership fees for 2015. It will re-visit the question of resources in 2015.

Next Steps

17. The key focus in 2015 will comprise the final preparations for the new review process on AEOI and the next round of reviews for EOI on request, which will both commence in 2016. The Global Forum looks forward to the finalisation of the Terms of Reference, Methodology and a Schedule of Reviews for both processes. To ensure that all Global Forum members will be ready for these developments, technical assistance work will also be stepped up, most importantly through the new Africa Initiative and pilot projects on AEOI.

18. The Global Forum agreed that its next meeting will take place in October 2015, and looks forward to offers by member jurisdictions to host the meeting. Finally, the Global Forum thanked the Government of Germany for its generous hospitality.

APPENDIX 1: LIST OF PARTICIPANTS AT GLOBAL FORUM MEETING

BERLIN, GERMANY

28-29 October 2014

Albania*; Andorra; Antigua and Barbuda; Argentina; **Aruba***; Australia; Austria; Azerbaijan; The Bahamas; Bahrain; **Barbados***; Belgium; Bermuda; Brazil; **British Virgin Islands***; Brunei Darussalam; **Burkina Faso***; Cameroon; Canada; **Cayman Islands***; Chile; China; Colombia; Cook Islands; Costa Rica; **Croatia***; Cyprus; **Czech Republic***; Denmark; Dominican Republic; **Estonia***; Finland; France; **Georgia***; **Germany***; **Ghana***; **Gibraltar***; Greece; Guatemala; Guernsey; Hong Kong, China; Hungary; **Iceland***; India; Indonesia; Ireland; **Isle of Man***; Italy; Jamaica; Japan; **Jersey***; Kazakhstan; Kenya; Korea; **Latvia***; Lesotho; **Liechtenstein***; **Lithuania***; **Luxembourg***; Macao, China; Malaysia; Malta; Marshall Islands; Mauritius; Mexico; **Monaco***; Montserrat; Morocco; Netherlands; Nigeria; **Norway***; Panama; Peru; Philippines; Poland; Portugal; Qatar; Romania; Russian Federation; Saint Kitts and Nevis; Samoa; **San Marino***; Saudi Arabia; Senegal; **Seychelles***; Singapore; Slovak Republic; **Slovenia***; **South Africa***; Spain; Sweden; Switzerland; **Trinidad and Tobago***; Tunisia; Turkey; Turks and Caicos Islands; Uganda; Ukraine; United Arab Emirates; United Kingdom; United States; Uruguay.

African Tax Administration Forum (ATAF); Caribbean Community (CARICOM); Inter-American Center of Tax Administrations (CIAT); Centre de Rencontres et D'Etudes des Dirigeants des Administrations Fiscales (CREDAF); Commonwealth Secretariat; European Bank for Reconstruction and Development (EBRD); European Investment Bank (EIB); European Union (EU); Inter-American Development Bank (IDB); International Monetary Fund (IMF); Organisation for Economic Co-operation and Development (OECD); United Nations (UN); World Bank Group (WBG); World Customs Organisation (WCO).

* Jurisdictions marked with an asterisk were represented at Ministerial level.

APPENDIX 2: AFRICA INITIATIVE

Introduction

Each day the problem of illicit financial flows from countries across Africa is hitting the headlines. The numbers vary but they are significant and tax evasion is a major part of this. The scale of the problem across Africa is well-known. Nevertheless, we rarely hear about solutions available to African Governments and Ministers of Finance who want to do the right thing and align with international efforts in favour of global transparency in the fight against tax evasion.

There are also a number of persistent myths surrounding exchange of information (EOI) which ensure that EOI networks are less extensive than they could be and EOI instruments are used less intensively than might otherwise be the case. These myths include the presumption that EOI is costly and complex when the reality is that requesting information as part of an ongoing investigation is a straightforward exercise. Similarly, the myth persists that there are still secrecy jurisdictions and this acts as a deterrent to countries that would otherwise make requests. In fact, secrecy for tax purposes has been sliced away over the last five years through the work of the Global Forum and the most significant barrier to greater EOI now is a lack of requests that would allow developing countries to collect more tax.

The Global Forum on Transparency and Exchange of Information is the world's largest tax organisation made up of 123 jurisdictions and countries. It is the world leader on transparency and exchange of information and has now taken on the role of monitoring the implementation of automatic exchange of information. Therefore, it is well-placed to team up with local African leadership to deliver a programme focused on tackling international tax evasion and building a legacy of greater EOI capacity across the continent.

Experience to date

- The benefits of exchange of information remain relatively unknown and are under-utilised across the African continent.

- There are 17 African countries that are members of the Global Forum, representing just under a third of the continent. This number could be significantly increased as a result of this initiative.

- A challenge remains in unlocking the true potential of exchange of information for tax purposes at the domestic level and in engaging with relevant leaders in African countries on the benefits that exchange of information can bring. This means reaching an audience beyond those directly engaged in EOI by shifting attention upwards to engage with relevant leaders in African countries on the benefits that exchange of information can bring and downwards to help auditors and investigators pursue tax evasion effectively. The whole chain needs to be engaged.

Outline

- The Africa Initiative is a joint effort of ATAF, CREDAF, the Global Forum, the OECD, the World Bank and individual African members of the Global Forum.

- The Africa Initiative will be steered by an Africa Taskforce comprising of representatives drawn from these bodies and countries.

- The Africa Initiative will be championed by an individual "Patron" who will be instrumental in promoting the initiative with African leaders. A number of potential candidates have been identified to be approached as patrons but have not yet been approached.

Objectives

The initiative will span a period of 3 years with a focus on raising awareness predominantly in the first year (2015), moving gradually to the tools that are needed to build effective EOI systems in the second and third year (2016 and 2017). Separate funding will be sought from donor governments to finance the initiative's activities. Participants in the Taskforce will also be encouraged to support the raising of the required funds.

The initiative is designed to address the following objectives:

1. **Raising-awareness:** the need to raise awareness across Africa of the domestic and international benefits of the Global Forum's standards as well as effective EOI (both on request and automatic) representing a front line tool in the fight against tax evasion, tax avoidance and illicit financial flows;

2. **Building political buy-in:** the need to ensure that the compelling messages about the benefits of effective EOI are being delivered to the right individuals at the right level of seniority who have the ability to unlock its true potential in their home country;

3. **Increasing membership:** the need to increase the number of African countries who are members of the Global Forum to ensure that countries engaged in or developing capacity on EOI have a seat at the table and a voice in the ongoing international debate;

4. **Building capacity:** the need to build the capacity of tax administrations on EOI and tackle the persistent myths surrounding EOI;

5. **Creating a legacy:** the need to leave behind a legacy of sustainable change on EOI in African tax administrations.