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

2014 Brussels G7 Summit Final Compliance Report

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Prepared by
Enko Koceku, Sarah Burton, David Cosolo and Michael Humeniuk
with Caroline Bracht
G7 Research Group, University of Toronto

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www.g7.utoronto.ca
g8@utoronto.ca
@g8rg

Contents

1. Financial Regulation: Tax Evasion [11]

"[We remain committed to tackling] tax evasion, where we look forward to the rapid implementation of the new single global standard for automatic exchange of tax information."

Brussels G7 Summit Declaration

Assessment

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

Background

Tax evasion is the illegal evasion of tax by individuals, corporations or trusts. In recent years G8 member countries have faced public outcry over corporate tax evasion and avoidance.[1] The government of the United Kingdom has encountered significant pressure to diminish the use of tax havens by British companies.[2] The European Commission has made the reduction of tax evasion a priority. Since 2013, it has made strides towards minimizing banking secrecy on the continent and introducing EU-wide standards for the exchange of banking information.[3] Tax evasion and avoidance have also received popular attention in the United States and France.[4]

The reduction of tax evasion has been part of the commitments of the G8 since the 2013 Lough Erne summit. British Prime Minister and G8 President for 2013 David Cameron promised to make "fighting the scourge of tax evasion and aggressive tax avoidance a priority."[5] In response to recent controversy, the leaders pledged to "restore confidence in the fairness and effectiveness of our international tax rules and practices, and to ensure that each country is able to collect taxes owing."[6]

Since 2012, the Organization for Economic Cooperation and Development (OECD) has attempted to formulate common standards for exchanging tax and financial information between countries. On

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[1] T-time: The G8 promises to tackle the "Three Ts," Economist, 22 June 2013, Date of Access: 2 March 2015. http://www.economist.com/news/finance-and-economics/21579860-g8-pledges-tackle-three-ts-t-time

[2] David Cameron's Call to Tackle Tax Avoidance, Telegraph, 20 May 2013, Date of Access: 2 March 2015. http://www.telegraph.co.uk/news/politics/david-cameron/10067378/David-Camerons-call-to-tackle-tax-avoidance.html

[3] Europe Pushes to Shed Stigma of a Tax Haven, New York Times, 22 May 2013, Date of Access: 2 May 2015. http://www.nytimes.com/2013/05/23/world/europe/europe-pushes-to-shed-stigma-of-tax-haven-with-end-to-bank-secrecy.html

[4] Europe Pushes to Shed Stigma of a Tax Haven, New York Times, 22 May 2013, Date of Access: 2 May 2015. http://www.nytimes.com/2013/05/23/world/europe/europe-pushes-to-shed-stigma-of-tax-haven-with-end-to-bank-secrecy.html

[5] David Cameron's Call to Tackle Tax Avoidance, Telegraph, 20 May 2013, Date of Access: 2 March 2015. http://www.telegraph.co.uk/news/politics/david-cameron/10067378/David-Camerons-call-to-tackle-tax-avoidance.html

[6] G8 Lough Erne Leaders Communiqué, G8 Information Centre (Toronto) 2013, Date of Access: 2 March 2015. http://www.g8.utoronto.ca/summit/2013lougherne/lough-erne-communique.html#tax

19 April 2013, the leaders of the G20 endorsed the OECD's Common Reporting Standard as the normative model for the exchange of tax data.[7] At the 2013 Lough Erne Summit, the G8 leaders called "on all jurisdictions to adopt and effectively implement this new single global standard at the earliest opportunity."[8]

This commitment, and much of its phrasing, remains in the 2014 Brussels Summit Leaders' Communiqué.

Commitment Features

The commitment describes the leaders' ongoing commitment to reduce the capacity of persons, companies or trusts to illegally evade tax. Although tax avoidance and evasion are often part of the same public discourse, the reduction of avoidance is not relevant to this commitment. Therefore, measures with respect to eliminating tax havens, the closure of legal loopholes, or any measure to reduce legal non-payment does not constitute the satisfaction of this commitment. Measures that could reduce both avoidance and evasion, such as the increased sharing of information and greater transparency, do constitute measures against tax evasion.

The Leaders' Declaration makes specific reference to the OECD Standard for Automatic Exchange of Financial Account Information. This suggests that the G7 Leaders approach to the reduction of tax evasion relates specifically to increasing transparency and the exchange of information. These are capacity-related measures. Therefore, measures intended simply as deterrents, such as increasing prison sentences for convicting tax evaders or increasing fines, also do not constitute compliance with the commitment. Funding for anti-tax evasion organizations is capacity-based, and therefore does constitute compliance.

The Leaders' commitment to a "new single global standard" implies that full compliance constitutes measures to reduce tax evasion specifically through the promotion or implementation of the OECD Standard for Automatic Exchange of Financial Account Information.

For example, partial compliance would occur if a member country passed domestic legislation allowing other countries to submit requests for citizens' banking information if they are suspected of tax evasion abroad. This builds capacity to fight tax evasion, but does not pertain to the OECD Standard because it does not promote the automatic exchange system.

Scoring Guidelines

−1	Member introduces no new measures to reduce tax evasion practices AND does not act to further the promotion or implementation of the OECD Standard for Automatic Exchange of Financial Account
0	Member introduces new measures to reduce tax evasion practices BUT does not act to further the promotion or implementation of the OECD Standard for Automatic Exchange of Financial Account Information
+1	Member acts to further the promotion or implementation of the OECD Standard for Automatic Exchange of Account Information.

Lead Analyst: Jerome Newton

[7] Automatic Exchange of Information, OECD (Paris), 2014, Date of Access: 2 March 2015. http://www.oecd.org/ctp/exchange-of-tax-information/automatic-exchange-financial-account-information-common-reporting-standard.pdf

[8] G8 Lough Erne Leaders Communiqué, G8 Information Centre (Toronto) 2013, Date of Access: 2 March 2015. http://www.g8.utoronto.ca/summit/2013lougherne/lough-erne-communique.html#tax

Canada: +1

Canada has fully complied with its commitment to tackle tax evasion and to further the implementation of a new single global standard for automatic exchange of tax information.

Due to growing concerns over FACTA in Canada, Finance Ministry Jim Flaherty and National Revenue Minister Kerry-Lynne D. Findlay announced 5 February 2014 that Canada and the US, after prolonged negotiations, have signed an intergovernmental agreement under the Canada-US Tax Convention. The Foreign Account Tax Compliance Act (FACTA) required non-US financial institutions to report to the US Internal Revenue Service (IRS) accounts held by US taxpayers. However under the agreement, financial institutions in Canada will not report any information directly to the IRS but to the CRA. The IRS will also provide the CRA with enhanced and increased information on certain accounts of Canadian residents held at US financial institutions.[9]

In October 2014, at the OECD Global Forum on Transparency and Exchange of Tax Information, Canada committed to undertaking its first information exchanges by 2018, though it did not commit to early adoption of the standard.[10]

On 7 January 2015, Kerry-Lynne D. Findlay announced the launch of the Canada Revenue Agency's (CRA) Electronic Funds Transfer (EF) initiative, introduced in *Economic Action Plan 2013*, as one of several new measures to break down on international tax evasion and aggressive tax avoidance. Effective 1 January 2015 certain financial intermediaries, including banks, have to report to the CRA incoming and outgoing international EFTs of $10,000 or more. Findlay states, "These new measures will help crack down on international tax evasion and ensure our tax system remains fair for all Canadians." [11]

Canada has complied fully with its commitment to furthering the implementation of the OECD automatic exchange of tax information. Therefore, it has been awarded a compliance score of +1.

Analyst: Jennifer Commisso

France: +1

France has fully complied with its commitment to fight tax evasion and to aid in the implementation of a global standard for automatic exchange of tax information.

In June 2014, French Finance Minister Michel Sapin and Swiss Finance Minister Eveline Widmer-Schlumpf signed an agreement committing their countries to work more closely to fight tax evasion. Sapin stated, "Improving the exchange of information on judicial request is a step towards the automatic exchange of information, which is set to become standard in international tax cooperation." The deal allows France to request access to data on groups of its citizens' bank accounts in Switzerland.[12]

[9] Canada and US Reach Agreement on Foreign Account Tax Compliance Act, Department of Finance (Ottawa) 5 February 2014, Date of Access: May 10, 2015. http://www.fin.gc.ca/n14/14-018-eng.asp.

[10] Towards a Global FACTA? OECD, G20 Unanimously Endorse Global Automatic Information Exchange, MNP (Canada), 12 January 2015, Date of Access: 17 May 2015. http://www.mnp.ca/en/media-centre/blog/2015/1/12/towards-a-global-fatca-oecd-g20-unanimously-endorse-global-automatic-information-exchange

[11] Harper Government cracks down on international tax evasion and aggressive tax avoidance with launch of Electronic Funds Transfer Initiative, Canada Revenue Agency (Ottawa) 7 January 2015, Date of Access 10 May 2015. http://news.gc.ca/web/article-en.do?nid=918419.

[12] France and Switzerland Join Forces to Fight Tax Evasion, International Business Time UK Edition (London) 26 June 2014, Date of Access: May 9, 2015. http://www.ibtimes.co.uk/france-switzerland-join-forces-fight-tax-evasion-1454230.

In October 2014, France signed the OECD Multilateral Competent Authority Agreement, committing to specific procedures implementing by September 2017 automatic tax information exchanges as agreed under the OECD Standard for Automatic Exchange.[13]

France has fully complied with the commitment to deter tax evasion through capacity-based measures. Thus, a score of +1 has been awarded to France.

Analyst: Jennifer Commisso

Germany: +1

Germany has fully complied with its commitment to further promote or implement the OECD Standard for Automatic Exchange of Account Information

On 28 and 29 October 2014, Germany hosted the Global Forum on Transparency and Exchange of Information for Tax Purposes. There, Germany signed the multilateral agreement on the automatic exchange of tax information developed by the OECD.[14]

In November 2014, at the Brisbane G20 summit, Germany committed to undertake automatic information exchanges by 2017 and to becoming one of the first jurisdictions to do so. [15]

Germany has taken active steps to implement the OECD Standard for Automatic Exchange of Account Information. Thus, it has received a compliance score of +1.

Analyst: Alexander Marshall

Italy: +1

Italy has fully complied with its commitment to reduce tax evasion and increase transparency and information sharing, both domestically and abroad.

Italy has participated in the European Union's initiative to "strengthen its tax-saving directive, which requires member states to exchange information," and was also one of 80 countries that agreed to the OECD's "common reporting standard" for financial transparency in 2014.[16]

On 23 February 2015, Italy signed an agreement with Switzerland to "exchange tax-relevant information."[17] The agreement will "allow Italian tax authorities to ask for financial information about Italian residents who hold assets in Swiss bank accounts."[18]

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[13] Multilateral competent authority agreement, OECD, October 2014, Date of Access: 17 May 2015. http://www.oecd.org/tax/exchange-of-tax-information/MCAA-Signatories.pdf

[14] Major new steps to boost international cooperation against tax evasion: Governments commit to implement automatic exchange of information beginning 2017, OECD, 29 October 2014, Date of Access: 10 May 2015. http://www.oecd.org/newsroom/major-new-steps-to-boost-international-cooperation-against-tax-evasion-governments-commit-to-implement-automatic-exchange-of-information-beginning-2017.htm

[15] Global Forum on Transparency and Exchange of Information for Tax Purposes (7th Meeting 28-29 October 2014), OECD, 29 October 2014, Date of Access: 10 May 2015. http://www.oecd.org/tax/transparency/statement-of-outcomes-gfberlin.pdf

[16] Follow the Money, The Economist 7 February 2015, Date of Access: 6 May 2015. http://www.economist.com/news/international/21642184-countries-share-more-information-opportunities-squirrel-away-cash-abroad-will

[17] Italy, Switzerland Sign Tax-Information Deal, Wall Street Journal, 23 February 2015, Date of Access 5 May 2015. http://www.wsj.com/articles/italy-switzerland-sign-tax-information-deal-1424711044?KEYWORDS=tax+evasion

[18] Italy, Switzerland Sign Tax-Information Deal, Wall Street Journal, 23 February 2015, Date of Access 5 May 2015. http://www.wsj.com/articles/italy-switzerland-sign-tax-information-deal-1424711044?KEYWORDS=tax+evasion

On 2 March 2015, Italy signed a similar agreement with Monaco that grants "total transparency" between the Italian Revenue Agency and the accounts of Italian taxpayers in Monaco.[19] The agreement was formulated in accordance with the OECD standard for transparency and information sharing.[20]

Domestically, Italy has made changes to its tax collection methodology. New regulations require banks to transfer their data to tax authorities. Tax authorities are now sent "pre-filled tax declarations to all taxpayers except the self-employed" that will allow for more focused and coherent audits.[21]

Because of Italy's work to decrease tax evasion domestically, and its participation in multiple international treaties designed in direct adherence to the OECD Standard for Automatic Exchange of Financial Information, Italy has been given a score of +1.

Analyst: Matthew Boissonneault

Japan: +1

Japan has fully complied with its commitment to further the implementation of OECD standards. Japan is committed towards the information exchange policies of the OECD, outlined in Standard for Automatic Exchange of Financial Information.

On 20 February 2015, the governments from Japan and the State of Qatar signed a tax agreement, opening an exchange of information on taxes in line with OECD principles.[22] The agreement mimics those Japan has with many other countries, including Portugal and the Kingdom of Saudi Arabia.[23]

As acknowledge by the OECD, Japan has publically and judicially committed itself to the implementation of the global standard for automatic exchange information.

Due to Japan's adhering to resistant measures against tax evasion, by committing to OECD standards, Japan has been awarded a compliance score of +1.

Analyst: Eliza Coogan

United Kingdom: +1

The UK has complied fully with its commitment to promote OECD regulations and to prevent tax evasion. Since the Brussels Summit it has initiated measures to comply with OECD guidelines.

On 29 October 2014, at the Global Forum on Transparency and Exchange of Information for Tax Purposes, the United Kingdom agreed to allow automatic information exchange between countries.[24]

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[19] Italy and Monaco sign agreement as last tax haven gives in, italy24, 3 March 2015. Date of Access 5 May 2015. http://www.italy24.ilsole24ore.com/art/laws-and-taxes/2015-03-02/last-haven-for-tax-dodgers-gave-yesterday-with-the-agreement-between-italy-and-monaco-134334.php?uuid=AB9dNq2C

[20] Italy and Monaco sign agreement as last tax haven gives in, italy24, 3 March 2015. Date of Access 5 May 2015. http://www.italy24.ilsole24ore.com/art/laws-and-taxes/2015-03-02/last-haven-for-tax-dodgers-gave-yesterday-with-the-agreement-between-italy-and-monaco-134334.php?uuid=AB9dNq2C

[21] Europe's South Tackles Tax Evasion- Again, Wall Street Journal, 22 Jan 2015. Date of Access 5 May 2015. http://www.wsj.com/articles/italy-and-neighbors-struggle-to-tackle-tax-cheats-1421969741

[22] Tax Agreement with Qatar was Signed, Ministry of Finance Japan, 20 February 2015, Date of Access: 10 May 2015. http://www.mof.go.jp/english/tax_policy/tax_conventions/press_release/20150220qa.htm.

[23] Ministry of Finance, Japan, Date of Access: 10 May 2015. http://www.mof.go.jp/english/tax_policy/tax_conventions/press_release/20150220qa.htm.

[24] Next Step Taken in Stamping Out International Tax Evasion, HM Treasury (London), 29 October 2015, Date of Access: 4 May 2015. https://www.gov.uk/government/news/next-step-taken-in-stamping-out-international-tax-evasion

The UK has been at the forefront of what is known as the "early adopters" of new regulations against tax evasion.[25] The information exchange allows the UK to monitor overseas assets of its taxpayers and spot tax evasion more easily.

On 15 April 2015, the UK expanded upon this with the International Compliance Regulations. It cemented the UK's commitment to combatting tax evasion by outlining the necessary procedures for information exchange.[26]

The United Kingdom has been at the forefront of initiatives to combat tax evasion in accordance with the OECD standard. It has therefore been awarded a score of +1.

Analyst: Eliza Coogan

United States: +1

The United States has fully complied with its stated goals to combat tax evasion and increase the transparency and exchange of information in accordance with the OECD Standard for Automatic Exchange of Financial Information. The United States built upon the "Swiss Bank Program," a 2013 agreement between the United States Department of Justice and the Swiss Federal Department of Finance designed "to get the financial institutions that facilitated a massive fraud on the American tax system to come forward with information about their wrongdoing – and to ensure that they are held responsible for it,"[27] by striking a plea agreement with Credit Suisse- one of Switzerland's largest banks- that requires the bank to "disclose all of its cross-border activities, cooperate in treaty requests for account information and provide intelligence on other banks that transferred funds into secret accounts."[28] All of those requirements are in strict compliance with the standards established by the OECD Standard for Automatic Exchange of Financial Information.

The Foreign Account Tax Compliance Act (FATCA), which the United States passed in 2010, "forces thousands of foreign financial institutions to report American clients' balances to its tax authority, the IRS."[29] This year, the United States has made substantial progress in gathering the signatures of foreign governments and putting the laws and policies dictated by FATCA into effect abroad. Now included on the list of countries that have signed on to the agreement are Switzerland, Luxembourg and the Cayman Islands, three of the largest tax havens for American citizens.[30] Since July 2014, countries that have chosen to sign the agreement have either been collecting information on accounts held by Americans at financial institutions within their country and sending this information to the Internal Revenue Service (IRS) in the United States, or have had their banks send

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[25] Joint Statement by the Early Adopters, OECD, October 2014, Date of Access: 10 May 2015. http://www.oecd.org/tax/transparency/AEOI-early-adopters-statement.pdf.

[26] UK Steps Up Fight Against Tax Evasion, Blevins Franks, 24 April 2015, Date of Access: 7 May 2015. https://www.blevinsfranks.com/News/BlevinsFranks/Article/uk-fight-offshore-tax-evasion.

[27] BSI SA of Lugano, Switzerland, is First Bank to Reach Resolution Under Justice Department's Swiss Bank Program, United States Department of Justice, 30 March 2015. Date of Access 6 May 2015. http://www.justice.gov/opa/pr/bsi-sa-lugano-switzerland-first-bank-reach-resolution-under-justice-department-s-swiss-bank

[28] Credit Suisse charged in tax evasion case, Washington Post, 19 May 2014. Date of Access: 5 May 2015. http://www.washingtonpost.com/business/economy/credit-suisse-charged-in-tax-evasion-case/2014/05/19/772afeb2-dfb0-11e3-9743-bb9b59cde7b9_story.html

[29] Follow the Money, The Economist, 7 February 2015. Date of Access: 6 May 2015. http://www.economist.com/news/international/21642184-countries-share-more-information-opportunities-squirrel-away-cash-abroad-will

[30] Resource Center, United States Department of the Treasury, 29 April 2015. Date of Access: 6 May 2015. http://www.treasury.gov/resource-center/tax-policy/treaties/Pages/FATCA-Archive.aspx

the information directly.[31] This constitutes major progress with respect to information sharing and transparency.

On 14 November 2015, the US Department of the Treasury announced that the US had signed an intergovernmental agreement with France to implement the Foreign Account Tax Compliance Act (FACTA). Enacted in 2010, FACTA aims to curtail offshore tax evasion by facilitating the exchange of tax information. FATCA seeks to obtain information on accounts held by US taxpayers in other countries. It requires US financial institutions to withhold a portion of payments made to foreign financial institutions (FFIs) who do not agree to identify and report information on US account holders.[32]

On 15 July 2014, OECD countries approved a new "common reporting standard", which requires financial jurisdictions "to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis."[33] The United States has stated its intent to pursue further intergovernmental agreements for FATCA-based automatic information exchanges beginning in 2015.[34]

The United States has formulated and enacted numerous policies, both independently and with reference and adherence to the OECD, that have improved the transparency of financial institutions domestically and abroad. For these reasons, the United States has been awarded a score of +1.

Analysts: Matthew Boissonneault and Jaspreet Khela

European Union: +1

The European Union has fully complied with the commitment to propose policies and implement legislation to develop a global standard for automatic exchange of tax information. It has proposed and partially developed many programs regarding tax information sharing but still needs to pass legislation to have those programs take effect.

In 2012, the European Union proposed an action plan that included the adoption of the revised Parent Subsidiary Directive to impede tax abuses by companies, the creation of the Platform for Tax Good Governance, as well as the launch of the Value Added Tax (VAT) Forum for business-to-tax authority dialogue. Additionally, practical measures were undertaken such as the creation of standard forms for exchange of tax information and computerised information exchange systems across European jurisdictions.[35]

In December 2014, the European Union adopted a revised version of the Directive on Administrative Cooperation, laying the foundation for a legislative framework for automatic tax information exchange. It requires member states of the European Union to automatically exchange

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[31] It is getting harder to hide money from Uncle Sam offshore, Washington Post 22 May 2014. Date of Access: 5 May 2015. http://www.washingtonpost.com/business/economy/it-is-getting-harder-to-hide-money-from-uncle-sam-offshore/2014/05/22/4e3f28de-dfba-11e3-810f-764fe508b82d_story.html

[32] US and France Agree to Combat Offshore Tax Evasion, US Department of the Treasury (Washington) 14 November 2014, Date of Access: May 10, 2015. http://www.treasury.gov/press-center/press-releases/Pages/jl2217.aspx.

[33] Common Reporting Standard, Organisation for Economic Cooperation and Development 2015. Date of Access: 6 May 2015. http://www.oecd.org/ctp/exchange-of-tax-information/automatic-exchange-of-financial-account-information.htm

[34] Tax Transparency, OECD (Paris) 2014. Date of Access: 3 May 2015. http://www.oecd.org/tax/transparency/GFannualreport2014.pdf

[35] Communication From The Commission To The European Parliament And The Council On Tax Transparency To Fight Tax Evasion And Avoidance, European Commission (Belgium) 18 March 2015. Date of Access: 4 May 2015. http://ec.europa.eu/taxation_customs/resources/documents/taxation/company_tax/transparency/com_2015_136_en.pdf

financial information between jurisdictions, in line with the global tax standard set in place by the OECD and G20.[36]

On 15 December 2014, The European Commission adopted Commission Implementing Regulation 1353/2014, amending Regulation (EU) No 1156/2012. Furthering on from the mandatory automatic exchange of information in the field of taxation, this was to ensure a standard computerized format in order to assess data more comparatively.[37]

The European Union is working towards implementing the Base Erosion and Profit Sharing (BEPS) project in 2015. The BEPS action plans sets out 15 actions that need to be pursued to readjust international tax standards such as in permanent establishment, transfer pricing, and digital taxation.[38]

On 18 March 2015, the European Commission presented a package of measures to boost tax transparency. This is the first step in an action plan on corporate taxation to be presented in the summer of 2015. This will include ideas for integrating OECD/G20 actions at EU level.[39]

The European Union has proposed and developed multiple plans to implement a system for automatic tax information and has furthered the OECD standard. Therefore, it has been awarded a score of +1.

Analysts: Jaspreet Khela and Alexander Marshall

[36] Communication From The Commission To The European Parliament And The Council On Tax Transparency To Fight Tax Evasion And Avoidance, European Commission (Belgium) 18 March 2015. Date of Access: 4 May 2015. http://ec.europa.eu/taxation_customs/resources/documents/taxation/company_tax/transparency/com_2015_136_en.pdf

[37] Enhanced administrative cooperation in the field of (direct) taxation, Taxation and Customs Union (European Commission), 20 April 2015, Date of Access: 11 May 2015. http://ec.europa.eu/taxation_customs/taxation/tax_cooperation/mutual_assistance/direct_tax_directive/index_en.htm

[38] Fighting Tax Evasion and Avoidance: A Year Of Progress, European Commission (Belgium) 5 December 2013, Date of Access: 4 May 2015. http://europa.eu/rapid/press-release_MEMO-13-1096_en.htm

[39] Transparency and the fight against tax avoidance, Taxation and Customs Union (European Commission), 10 April 2015, Date of Access: 11 May 2015. http://ec.europa.eu/taxation_customs/taxation/company_tax/transparency/index_en.htm

2. Trade: Protectionism [12]

"We reaffirm our commitment to keep our markets open and to fight all forms of protectionism including through standstill and rollback"

G7 Leaders' Declaration on the Global Economy

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Canada			+1
France	− 1		
Germany		0	
Italy		0	
Japan			+1
United Kingdom			+1
United States		0	
European Union			+1
Average Score	+0.38		

Background

Protectionism can be observed as any government policy, whereby market forces are regulated such that international trade is restricted for the purposes of thwarting foreign competitors and supporting domestic business.

As economics and politics are increasing influenced by globalization, free trade agreements are seen as the optimal model for long-term financial success and superior to insular protectionist policies.

In the past two years, free trade agreements have included the negotiations of: "Canada-EU; Japan-EU; Canada-Japan; EU-US; the Trans-Pacific Partnership; and the Trade in Services Agreement."[40] Additionally, in line with the World Trade Organization (WTO), G7 members have pledged to execute measures that reduce or eliminate tariff or non-tariff barriers as they pertain to environmental goods and services.[41]

Historically, the G7/8 and G20 have promulgated commitments so that, ultimately, market-openness is maintained and increased.

Recognizing the risks of exacerbating economic decline through protectionism, leaders at the 2008 Washington G20 Summit pledged to "refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO inconsistent measure to stimulate trade."[42] For the 2012 G7, the Camp David Declaration stipulated the commitment for all members to reduce trade barriers and counter protectionist measures within the framework of the energy sector.[43]

[40] The Brussels G7 Declaration, Europa, 5 June 2014, Date of Access: 23 March 2015. http://europa.eu/rapid/press-release_MEMO-14-402_en.htm
[41] Eliminating trade barriers on environmental goods and services, WTO, Date of Access: 23 March 23, 2015. https://www.wto.org/english/tratop_e/envir_e/envir_neg_serv_e.htm
[42] Declaration: Summit on Financial Markets and the World Economy, G20 Summit (Washington) 15 November 2008. Date of Access: 1 November 2009. http://www.g20.utoronto.ca/2008/2008declaration1115.html
[43] Camp David Summit Documents: Official Declaration, 19 May 2012. Date of Access: 29 November 2012. http://www.g8.utoronto.ca/summit/2012campdavid/g8-declaration.html

At the 2013 Lough Erne G8 Summit, leaders restated their support for the WTO's objective of reducing trade barriers, resisting protectionist policies, establishing global trade standards, and enforcing a level playing field for global trade.[44]

Most pertinent to this commitment, leaders at the Los Cabos G20 Summit declared reaffirmation to their standstill commitment and "pledge[d] to rollback any new protectionist measure that may have arisen, including new export restrictions and WTO inconsistent measures to stimulate exports."[45]

Commitment Features

G7 members have reaffirmed their commitment to fight against protectionism. To this end, G7 governments must enforce measures, which actively counter protectionist barriers.

With particular focus of the Brussels Declaration, G7 members will use the instruments of standstill and rollback.[46]

Standstill measures are actions taken that oppose the enactment of new barriers to trade that constitute as protectionist measures. These measures includes the prevention of government-imposed restrictions, which affect fair trade — through export and import regulations — so that fair competition between states is diminished. Barriers, which are categorized as protectionist, are those that limit the global flow of goods, investments, and services.

The instrument of rollback simply entails the reversal and repeal of status quo protectionist measures.

For full compliance, G7 member state must both: (1) remove protectionist policies through rollback; (2) refrain from adopting insular policies that would additionally stifle free trade through standstill.

Scoring Guidelines

− 1	Member introduces protectionist trade policies
0	Member removes already existing protectionist trade policies OR does not adopt any new protectionist trade policies
+1	Member removes already existing protectionist trade policies AND does not adopt any new protectionist policies

Lead Analyst: Kaleem Hawa

Canada: +1

Canada has fully complied with its commitment to keep their markets open and to fight all forms of protectionism.

On 5 August 2014 Canadian and EU partners signed the Comprehensive Economic and Trade Agreement (CETA).[47] Through this, Canadian industry will deal directly with EU markets. CETA is

[44] G8 Lough Erne Leaders Communiqué, G8 Information Centre (Toronto) 18 June 2013. Date of access: 2 December 2013. http://www.g8.utoronto.ca/summit/2013lougherne/lough-erne-communique.html
[45] 2012 Los Cabos G20 Summit Final Compliance Report. 4 September 2012. Date of access: 19 April 2015. http://www.g20.utoronto.ca/compliance/2012loscabos-final/
[46] The Brussels G7 Declaration, Europa, 5 June 2014, Date of Access: 23 March 2015. http://europa.eu/rapid/press-release_MEMO-14-402_en.htm
[47] Government of Newfoundland and Labrador's Position on the Canada-European Union Comprehensive Economic and Trade Agreement, Government of Newfoundland and Labrador (St. John's) 15 January 2014. Date of Access: 27 April 2015. http://www.ibrd.gov.nl.ca/pdf/CETA_Jan15.pdf