



Global Forum on Transparency
and Exchange of Information for Tax Purposes



Tax Transparency 2017

Report on progress





“The work of the Global Forum represents a global response to the challenges associated with tax evasion and avoidance. Nearly 150 jurisdictions – ranging from the G20 members to smaller developing countries – have come together and declared their commitment to transparency and exchange of information for tax purposes. Every year we reach yet another milestone and formulate new more ambitious goals. In 2009, some of our current successes looked unthinkable but we made it happen and are ready to move ahead with even greater confidence.”

Maria José Garde, Chair of the Global Forum (Spain)

“By creating a gateway to the effective exchange of information for tax purposes and building a powerful platform which unites governments around the values of tax transparency, the Global Forum has become an integral part of the international tax ecosystem. Peer reviews, assessment and monitoring activities carried out by the Global Forum are highly trusted world-wide and are relied upon by various international institutions and bodies in designing their policies. We regularly communicate updates on our activities, including reporting to the G20, and coordinate our work with that of others active in the field of tax policy and administration, tax and development and transparency more broadly defined. Global advancement in these directions will ultimately lead to a more fair tax system and higher tax revenues and will bring developing countries closer to achieving the post-2015 Sustainable Development Goals.”



Monica Bhatia, Head of the Global Forum Secretariat (India)

Table of Contents

Executive Summary	2
Part I. Global Cooperation on Tax Transparency and Exchange of Information	4
1. The Global Forum	
2. The International Standards	
3. Achieving Change	
4. The Global Forum and International Tax Ecosystem	
Part II. Automatic Exchange of Financial Account Information	11
5. Highlights of 2017	
6. The Status of AEOI Commitments	
7. Delivering a Level Playing Field	
8. The Global Transparency Barometer – AEOI	
Part III. Exchange of Information on Request	22
9. Highlights of 2017	
10. The Status of EOIR Commitments	
11. Delivering a Level Playing Field	
12. The Global Transparency Barometer – EOIR	
Part IV. Technical Assistance – Supporting the Global Progress towards Greater Tax Transparency	30
Part V. The Breakthrough in Tax Transparency: What Does It Deliver?	36
Part VI. What’s Next?	42
Part VII. Annexes	44

Executive Summary

Tax transparency and exchange of information are at the heart of the global effort aimed at tackling tax evasion and avoidance. The Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum) supports governments around the world in enhancing the efficiency of tax enforcement and increasing the level of tax compliance. Year after year Global Forum members are making progress in the effective implementation of the internationally agreed standards on transparency and exchange of information for tax purposes, i.e. exchange of information on request (EOIR) and automatic exchange of financial account information (AEOI). The effective use of these modern information sharing tools helps our member jurisdictions to narrow the tax gap created by evasion and avoidance, restore the balance in the allocation of tax burden and boost state revenues.

This year has been marked by a historic breakthrough, opening a new chapter in global tax transparency.

After three years of preparation, automatic exchange of financial account information under the AEOI Standard is now switched on.

The delivery of the commitment undertaken by nearly 50 jurisdictions to commence first automatic exchanges by September 2017 has been central to the Global Forum's work. This ambitious target has been successfully met with only minor delays, primarily attributed to the devastation caused by the recent hurricanes in some Caribbean jurisdictions. The first gains of AEOI have already been realised through voluntary compliance and disclosure programmes. Intense work is now underway by the 2017 jurisdictions to utilise the obtained data for tax enforcement purposes, whilst the 2018 jurisdictions are

focusing on finalising their preparations and collecting information to be exchanged by September 2018. Initial assessments have already been conducted into the key areas of AEOI implementation and the first AEOI Implementation Report is now publicly available.^[1] The groundwork for full reviews due to commence by 2020 has been prepared and will continue in 2018. Looking ahead following a successful kick-off, the Global Forum has laid down a plan of action for expanding the benefits of AEOI to developing countries.^[2]

The first round of peer reviews against the EOIR Standard has been completed with nearly all jurisdictions reaching a satisfactory level of implementation and showing considerable progress. In

- 1 The 2017 AEOI Implementation Report:
<<http://www.oecd.org/tax/transparency/reporting-on-the-implementation-of-the-AEOI-standard.pdf>>.
- 2 The Global Forum's Plan of Action on Developing Countries and AEOI (2017):
<<http://www.oecd.org/tax/transparency/plan-of-action-AEOI-and-developing-countries.pdf>>.

2017, the jurisdictions with less than satisfactory ratings were given an opportunity to demonstrate their advancement through the Global Forum's Fast-Track review procedure. A number of critical changes were introduced by the reviewed jurisdictions, including the elimination of strict bank secrecy and bearer shares, improved access to accounting records and a more rigorous oversight and enforcement of obligations to maintain information. In total, 94 per cent of the reviewed jurisdictions have achieved a rating of "Compliant" (22), "Largely Compliant" (77) or "Provisionally Largely Compliant" (13), and only a small minority was rated as "Partially Compliant" (5), "Provisionally Partially Compliant" (1) or "Non-Compliant" (1). This success has created a solid basis for a new round of peer reviews against the enhanced 2016 Terms of Reference. As of November 2017, 16 reports with new ratings have been published of which 6 are rated as "Compliant", 8 – "Largely Compliant", 2 – "Partially Compliant" and no jurisdiction is "Non-Compliant".

Multilateral instruments have continued to attract more and more signatories. Further progress has been achieved on expanding the breadth of the multilateral Convention on Mutual Administrative Assistance in Tax Matters (the MAC). As of November 2017, the number of participating jurisdictions has reached 115 and a further 11 jurisdictions have submitted a request to join. With over 96 per cent of the jurisdictions that have committed to implement the AEOI Standard also choosing the CRS Multilateral Competent Authority Agreement (the CRS MCAA) for putting in place necessary arrangements for exchanging financial account information, a multilateral approach now firmly dominates the tax transparency landscape.

In 2017, the Global Forum has carried out its monitoring, assessment and peer review work to secure a level playing field and designated considerable resources to enable its members, and in particular those which are developing countries, to make swift and effective progress towards a more effective tax administration. This report highlights the key milestones that have been achieved and sets new targets for 2018.



Part I.

Global Cooperation
on **Tax Transparency**
and **Exchange of Information**

The Global Forum

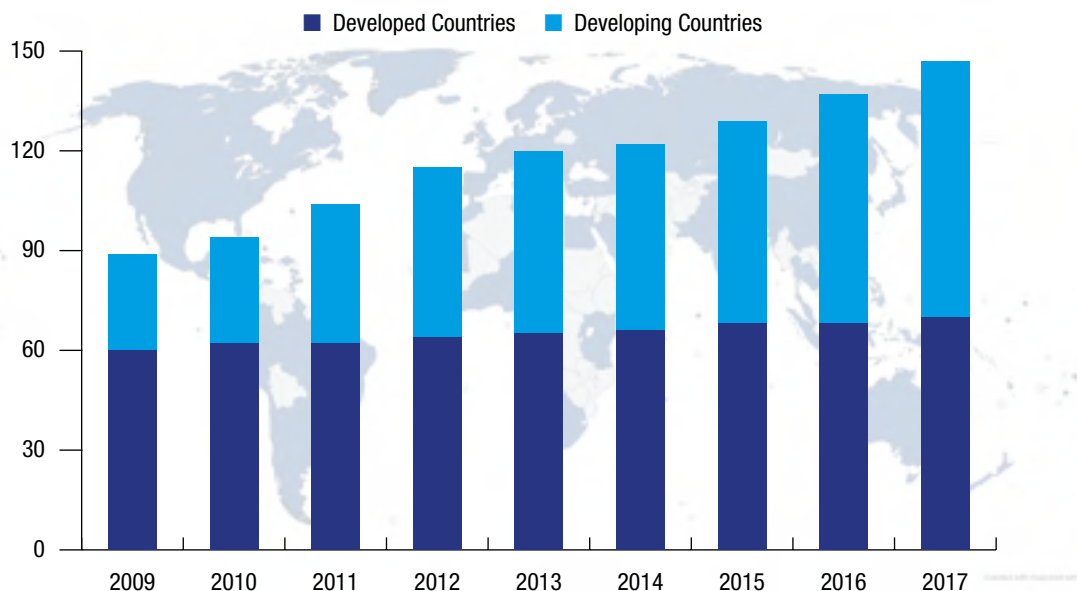
The Global Forum is the largest international platform which brings together nearly **150 jurisdictions**, and the European Union, to achieve the widespread and effective implementation of the internationally agreed standards on transparency and exchange of information for tax purposes. It has adopted and promotes two standards, one of which facilitates cross-border exchange of tax-relevant information on request (the EOIR Standard) and another one enables an automatic exchange of information on the financial accounts of non-residents (the AEOI Standard). By facilitating global cooperation on the implementation of these two complementary forms of information sharing between tax authorities, the Global Forum assists jurisdictions around the world in tackling illicit financial flows and raising public confidence in the tax system.

Since September 2009, the Global Forum was restructured in response to the G20 call to strengthen implementation of these standards and opened its doors to new members. The membership has continued to grow: in 2017 alone, 10 new members joined



the Global Forum, i.e. Benin, Cambodia, Djibouti, Ecuador, Faroe Islands, Greenland, Haiti, Madagascar, Rwanda and Thailand. With this rapid enlargement, the demographic of the Global Forum is also changing. Particularly notable is the shifting balance between developed and developing country members. In 2009, developing jurisdictions made up only about one third of the Global Forum members, whereas now developing countries represent more than half of its members.

Global Forum Membership: Annual Growth



Global Forum Governance^[3]

Global Forum working bodies	Composition	Function	Meetings in 2017
All members	147 jurisdictions and 17 observers	Take all key decisions by consensus either through a written procedure or at the annual plenary	November (Yaoundé, Cameroon)
Steering Group	18 jurisdictions and the chair of the AEOI and PRG Groups	Steers the work of the Global Forum and makes recommendations to the plenary	March (Paris, France) July (Geneva, Switzerland) October (Paris, France) November (Yaoundé, Cameroon)
AEOI Group	78 jurisdictions and 3 international organisations-observers (see Annex 2)	Carries out the mandate related to effective implementation of the AEOI standard	March (Paris, France) May (Paris, France) September (Madrid, Spain) December (San Marino)
Peer Review Group (PRG)	30 jurisdictions (see Annex 2)	Carries out the mandate related to effective implementation of the EOIR standard	June (Panama City, Panama) July (Geneva, Switzerland) October (Paris, France)
A self-standing Secretariat, hosted by the OECD	34 staff members including secondees from member countries	Supports all activities	Permanent basis

The cooperation within the Global Forum is guided by the following principles:

- **Universality of the standards:** the prospects for successfully tackling tax evasion and avoidance through international collaboration are much greater where there are clear standards which are universally agreed and against which the performance of all relevant jurisdictions can be judged.
- **Inclusivity and equality:** all decisions are taken by the plenary by consensus, reflecting the Global Forum's fundamental ethos that all members are equal.^[4] All members are expected to implement the same standards and the assessment of implementation is based on a peer review process.
- **Support to account for different needs and capacities:** while all members are aiming at measuring up to the same standards, the Global Forum recognises that capacities differ and developing countries may require greater assistance which is offered at all levels.
- **Global reach to achieve the level-laying field:** all international financial centres are now members of the Global Forum. To address any remaining or emerging risks, the Global Forum has developed a special procedure which allows recognising non-members that may create risks to the level-playing field as "jurisdictions of relevance" to the Global Forum work and reviewing them.

³ See further Annex 2.

⁴ The Global Forum uses an approach to consensus that ensures that no one jurisdiction can block the adoption or publication of a peer review report.

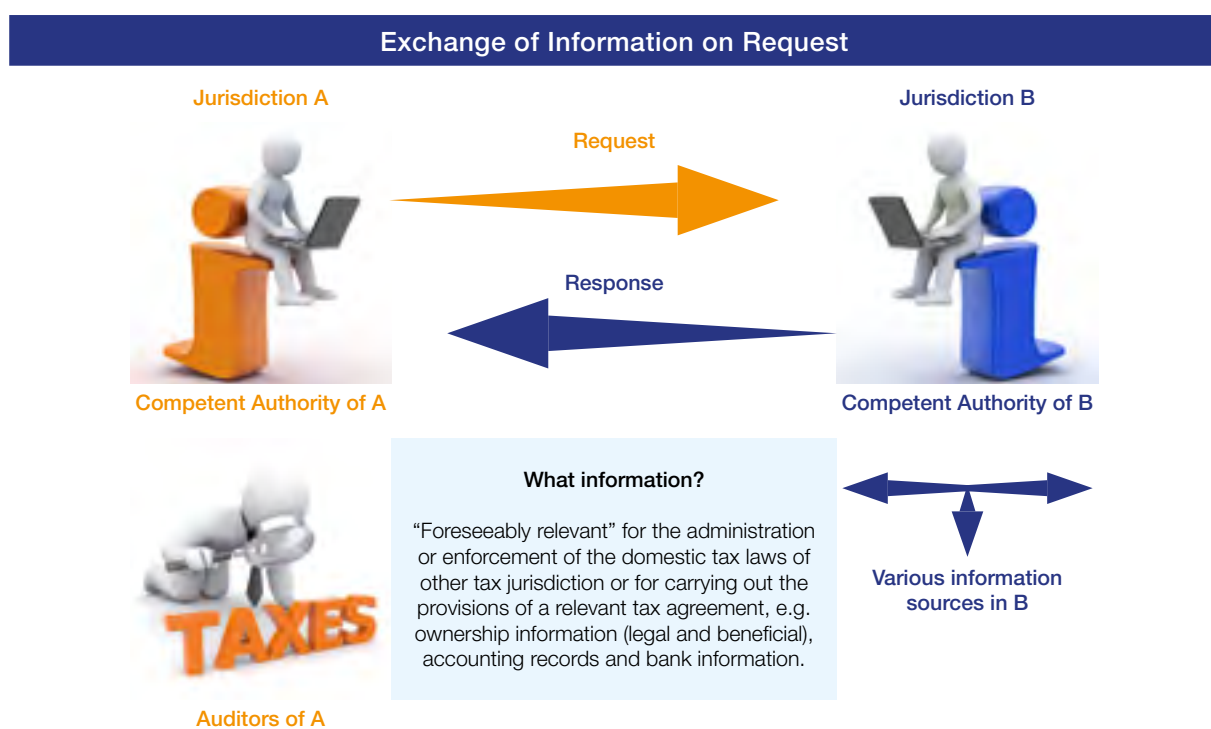
The International Standards

In a globalised world where individuals, entities and assets are increasingly mobile, tax authorities are constantly facing the challenge of advancing their administrative abilities. The effectiveness of administration and enforcement is substantially undermined if tax authorities cannot build a full picture of taxpayers' operations abroad, or have no tools for verifying the information reported by taxpayers. This creates opportunities for tax avoidance and evasion, causing a damaging impact on the level of public trust in the fairness of the tax system and eroding the foundations of the social contract. The Global Forum facilitates information sharing between tax authorities through the two international standards on tax transparency, i.e. EOIR and AEOI, enabling a coordinated global response to this challenge.

Exchange of Information on Request

The EOIR Standard has been central to the Global Forum's work since its very formation in the early 2000s. It sets a framework for tax authorities to request and obtain information from their international counterparts on the offshore affairs of their taxpayers. The scope of information that can be exchanged is very wide. The standard requires a tax authority to provide, on request, any "foreseeably relevant information" for the administration or enforcement of the domestic tax laws of another tax jurisdiction, or for carrying out the provisions of a relevant tax agreement. The information which is commonly transferred through EOIR exchanges includes that on legal and beneficial ownership, accounting records and bank details.

Whilst very effective due to the wide scope of information which can be obtained for tax purposes, the EOIR has a built-in restraint that tax authorities have to specifically request particular information. It

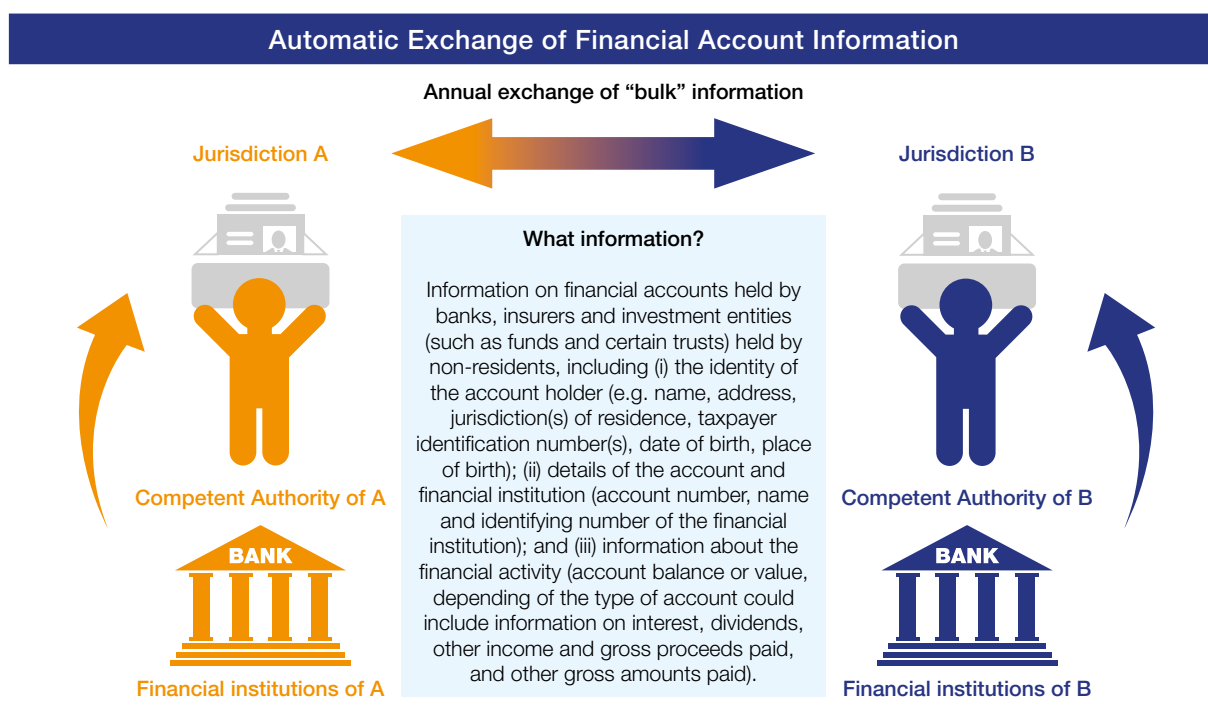


serves as a tool to be applied when initial indication of non-compliance is available which provides an essential starting point for a request. New instruments, such as automatic exchange of financial account information and Country-by-Country reporting, create additional channels through which tax authorities can be alerted about potential abuses. Due to these new triggers, the extent of information requests can be expected to go up in the future.

Automatic Exchange of Financial Account Information

Automatic exchanges of information enhance information sharing between tax authorities, employing modern technological advancements. The new standard was developed by the OECD working with G20 countries in 2014, in response to the intergovernmental implementation of the US Foreign Account Tax Compliance Act (FATCA) which acted as a catalyst for automatic exchange of information in a multilateral setting. Recognising its added value in bringing greater tax transparency and its capacity to complement the EOIR Standard, the Global Forum adopted the AEOI Standard shortly after its endorsement by the G20 and launched a commitment process. It required all Global Forum members – except developing countries without financial centres – to commence exchanges of information in 2017 or 2018, and for exchanges to take place with “all interested appropriate partners” (all those interested in receiving information and that meet the required standards of confidentiality and the proper use of data). This approach enabled the delivery of a level playing field, preventing taxpayers from moving their assets to other (non-committed) jurisdictions in the attempt to avoid information sharing with the jurisdiction of their tax residence.

The AEOI Standard requires financial institutions to automatically disclose financial account information of non-residents to their tax authorities, who in turn exchange this information with the tax authorities of the account holders’ country of residence under the globally-agreed “common reporting standard” (the CRS). The CRS incorporates legal and technical requirements, creating a complete and standardised model for automatic exchange of financial account information, including information on assets and accounts held by banks, insurers and investment entities (such as funds and certain trusts) held by non-residents. This detailed, standardised and universal approach maximises the potential benefits and minimises costs for governments and financial institutions.



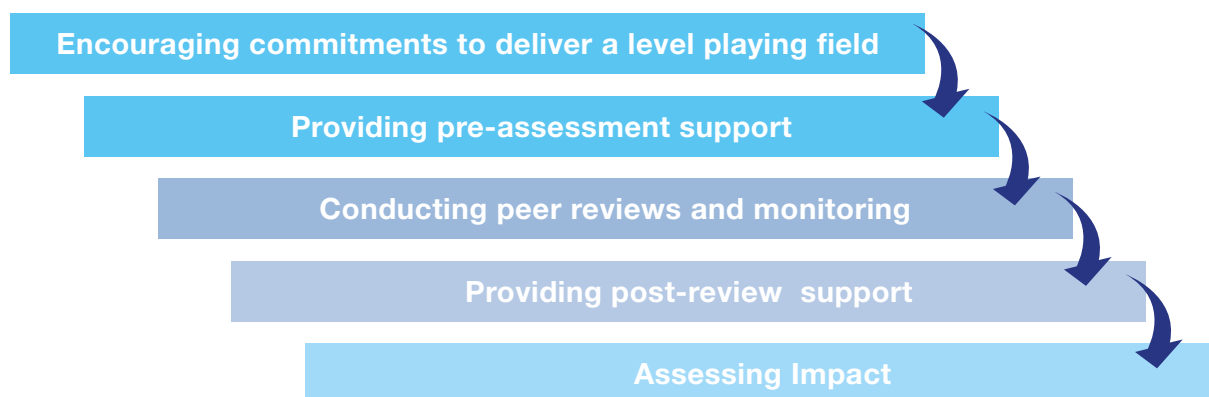
Achieving Change

The Global Forum's ultimate objective is to achieve a smooth global flow of the information required by tax authorities in compliance with the EOIR and AEOI standards. This goal is pursued through a range of engagement, monitoring and peer review activities which deliver a widespread commitment and enable an objective evaluation of its effective implementation against collectively agreed benchmarks.



To ensure that the new tax transparent environment and international collaboration delivers benefits to all members, including developing countries, the Global Forum operates a comprehensive technical assistance programme. It offers preliminary technical assistance in putting the necessary arrangements in place to engage in information sharing, as well as providing help in addressing any gaps identified through the peer-driven evaluation process. The support of the Secretariat, more experienced peers or external experts enables all jurisdictions to make rapid progress.

The assessment of impact of enhanced tax transparency is a new additional component in the Global Forum's activities. It aims at evaluating the scale of changes and implications generated by the breakthrough achieved since 2009 and seeks to inform and enrich the future work of the Global Forum.



The Global Forum and International Tax Ecosystem



The Global Forum closely cooperates with other international organisations and bodies and has now become an integral part of the international tax ecosystem. In total, 17 international organisations participate in its work as observers, including all the major Multilateral Development Banks (MDBs), including African Development Bank, Asian Development Bank, Inter-American Development Bank, World Bank Group and – a new joiner in 2017 – the Council of Europe Development Bank. At the request of the G20, the Global Forum and the Financial

Action Task Force (FATF), which also became an observer to the Global Forum in 2017, work together on the ways to improve the availability of beneficial ownership information and its international exchange.

The Global Forum works closely with many MDBs and other bodies in delivering technical assistance to its members around the world, and the MDBs have incorporated the Global Forum's standards into their investment policies. Similarly, the Global Forum's standards have been integrated into the work of other international actors, such as the G20 and the EU, in their attempt to identify non-cooperative jurisdictions in the field of tax transparency.



The Global Forum also coordinates its development efforts with various initiatives to generate synergies in enhancing the capacities of developing countries to raise tax revenues. This cooperation covers the Base Erosion and Profit Shifting Inclusive Framework (BEPS IF) which, amongst other “minimum standards”, includes transparency-related components, such as exchanges of country-by-country reports and tax rulings.

Global Forum Observers

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

Part II.

Automatic Exchange of
Financial Account Information

Highlights of 2017

2017 is the year of AEOI exchanges switching-on

This year marks a major shift in international tax transparency and the ability of jurisdictions to tackle offshore tax evasion and avoidance. In September 2017, for the first time, financial account information has been exchanged under the new AEOI Standard. The exchanges commenced among nearly 50 pioneering jurisdictions. The monitoring results in relation to the jurisdictions which commenced exchanges this year essentially show the full delivery of the commitments made.^[5] First gains of AEOI have already been collected through voluntary compliance programmes, and the tax authorities are now reviewing the obtained data which includes information on the owners of the accounts, the account and asset value and investment income received (interests, dividends, income from insurance contracts, etc.).

Preparation for the 2018 exchanges is at full speed

A further 53 jurisdictions are due to commence exchanges in 2018. Their work to deliver on the commitments made is not yet complete. While many jurisdictions are fully on track, already have the domestic laws in place and have made good progress putting in place the international legal framework, a few jurisdictions have missed key milestones and face very challenging timelines to deliver the commitments made. Therefore, an intense focus on implementation must be maintained in the coming year. This includes assessments being conducted into each of the key areas of AEOI implementation to ensure the AEOI Standard is being properly implemented from the start.

Engaging developing countries without financial centres

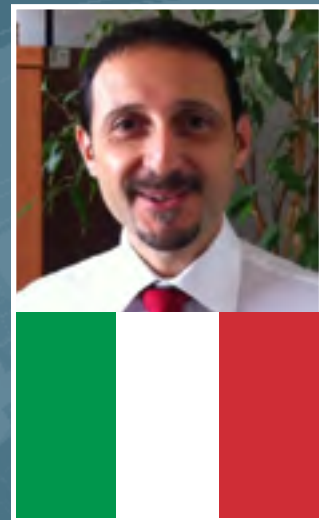
With the first successful exchanges having already taken place and preparatory work by the 2018 jurisdictions being well underway, the Global Forum now looks ahead to expand the benefits of AEOI to developing countries. The expertise on AEOI implementation accumulated by the Global Forum in the past three years, including through bilateral pilot AEOI projects, has helped to design a blueprint for expanding AEOI to developing countries. The key parameters of the new step-by-step approach have been set out in the Global Forum's Plan of Action on Developing Countries and AEOI (2017).^[6]



- 5 The 2017 AEOI Implementation Report: <http://www.oecd.org/tax/transparency/reporting-on-the-implementation-of-the-AEOI-standard.pdf>.
- 6 The Global Forum's Plan of Action on Developing Countries and AEOI (2017): <http://www.oecd.org/tax/transparency/plan-of-action-AEOI-and-developing-countries.pdf>.

“The widespread and effective implementation of the internationally recognised standards on tax transparency and exchange of information promoted by the Global Forum helps to address the problem of asymmetry in the access to information between tax authorities and taxpayers. In a modern and globalised world where persons and assets are becoming increasingly mobile, it is inconceivable to rely on the administrative tools of the 20th century. Tax administration needs to embrace the complexity of this more integrated world and make use of modern technologies. Automatic exchanges of financial information which have commenced this year bring us a step closer to this goal.”

***David Pitaro**, Chair of the AEOI Group (Italy)*



The Status of AEOI Commitments

When the Global Forum launched its work on the AEOI Standard, it recognised that the ultimate success depended heavily on its implementation by all relevant jurisdictions in order to establish a worldwide “level playing field”. In response to the Global Forum’s call to implement the AEOI Standard by 2018, almost every jurisdiction where taxpayers are likely to hold assets has committed to this target. Furthermore, the number of jurisdictions committed to implement the AEOI Standard by a specific date has continued to increase this year to reach 106 jurisdictions, with developing countries showing a growing interest in AEOI.

The Status of AEOI Commitments by 2018*

Jurisdictions Undertaking First Exchanges in 2017 (49)

Anguilla, Argentina, Belgium, Bermuda, British Virgin Islands, Bulgaria, Cayman Islands, Colombia, Croatia, Cyprus**, Czech Republic, Denmark, Estonia, Faroe Islands, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hungary, Iceland, India, Ireland, Isle of Man, Italy, Jersey, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Montserrat, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Seychelles, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Turks and Caicos Islands, United Kingdom

Jurisdictions Undertaking First Exchanges by 2018 (53)

Andorra, Antigua and Barbuda, Aruba, Australia, Austria, Azerbaijan***, The Bahamas, Bahrain, Barbados, Belize, Brazil, Brunei Darussalam, Canada, Chile, China, Cook Islands, Costa Rica, Curacao, Dominica, Ghana³, Greenland, Grenada, Hong Kong (China), Indonesia, Israel, Japan, Kuwait, Lebanon, Macau (China), Malaysia, Marshall Islands, Mauritius, Monaco, Nauru, New Zealand, Niue, Pakistan***, Panama, Qatar, Russia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Singapore, Sint Maarten, Switzerland, Trinidad and Tobago, Turkey, United Arab Emirates, Uruguay, Vanuatu

* The United States has undertaken automatic information exchanges pursuant to FATCA from 2015 and 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.

** Note by Turkey: The information in the documents 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 recognised by all members of the United Nations with the exception of Turkey. The information in the documents relates to the area under the effective control of the Government of the Republic of Cyprus.

*** Developing countries that do not host a financial centre were not asked to commit to 2018 but these jurisdictions have done so voluntarily.

In 2014, developing countries that do not host a financial centre were not called on to commit to the 2018 deadline in recognition of the lower risk they posed and the necessity of providing for a longer implementation period to accommodate capacity-building programmes and other technical assistance. However, the Global Forum remains fully committed to ensuring that developing countries can also access the benefits of AEOI and to maintaining a level playing field, both at the global and regional level. At its Tbilisi plenary meeting in November 2016, the Global Forum encouraged all developing country members to take steps towards implementing the AEOI Standard “as soon as practicable”.^[7]

Following this call, an increasing number of developing countries have approached the Global Forum Secretariat expressing their interest in the AEOI Standard and demonstrating a strong political will to put it in place. After Ghana and Albania, which committed in 2014, this year 5 jurisdictions declared their intention to start exchanging data by a specific date, i.e. Azerbaijan, Maldives, Nigeria, Pakistan and Peru. These countries are attracted by the emerging evidence of the AEOI’s effectiveness: it proves itself as a strong compliance enhancing tool which is capable of exposing and tackling tax evasion and generating additional revenues. Governments also see synergies in implementing the CRS and the Country-by-Country reporting simultaneously.

AEOI Commitments by Developing Country Members without Financial Centers

Jurisdictions Undertaking First Exchanges by 2018 (3)

Azerbaijan, Ghana, Pakistan

Jurisdictions Undertaking First Exchanges by 2019/2020 (4)

Albania (2020), Maldives (2020), Nigeria (2019), Peru (2020)

Developing Countries Having Not Yet Set the Date for First Automatic Exchange (40)

Armenia, Benin, Botswana, Burkina Faso, Cambodia, Cameroon, Chad, Côte d’Ivoire, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Former Yugoslav Republic of Macedonia, Gabon, Georgia, Guatemala, Guyana, Haiti, Jamaica, Kazakhstan, Kenya, Lesotho, Liberia, Madagascar, Mauritania, Moldova, Morocco, Niger, Papua New Guinea, Paraguay, Philippines, Rwanda, Senegal, Tanzania, Thailand, Togo, Tunisia, Uganda, Ukraine

The implementation of the AEOI Standard by developing countries without financial centres is one of the key priorities of the Global Forum’s work for 2018-2020 and beyond. The Global Forum’s *Plan of Action for Developing Countries Participation in AEOI*, endorsed by the plenary in Yaoundé, Cameroon (November 2017), set a step-by-step strategy for further progress in this direction.^[8] More developing countries can therefore be expected to move towards the implementation of the AEOI Standard in the coming years.

7 The Statement of Outcomes of the 9th Global Forum Meeting (2-4 November 2016, Tbilisi, Georgia): <http://www.oecd.org/tax/transparency/statement-of-outcomes-GF-plenary-2016.pdf>.

8 The Global Forum’s Plan of Action on Developing Countries and AEOI (2017): <http://www.oecd.org/tax/transparency/plan-of-action-AEOI-and-developing-countries.pdf>.

Developing Countries Participation in AEOI: The Step-by-Step Approach

- **Step 1 Preliminary evaluation:** developing countries without financial centres are now invited to engage in a dialogue with the Global Forum Secretariat on a practicable timeline for the implementation of the AEOI Standard. This includes a preliminary evaluation of confidentiality and data safeguards framework and other relevant factors. The evaluation seeks to identify how long it may reasonably take for each country to satisfy the requirements and put in place other necessary components to commence AEOI exchanges. For countries which have ongoing induction programmes in place, the preliminary evaluation for AEOI purposes will be incorporated in the ongoing induction programme.
- **Step 2 Agreeing upon a practical commitment date and setting up an action plan:** the preliminary assessment will allow the jurisdictions, in consultation with the Global Forum Secretariat, to arrive at a practicable commitment date, supported by a tailored staged action plan for AEOI implementation.
- **Step 3 Formal commitment:** the country is then invited to make a formal high level commitment to implement the AEOI Standard. Although the timeline can be subsequently adjusted to account for unforeseen circumstances, the country will commit to make sincere efforts towards implementing the AEOI Standard effectively, in a timely manner and in accordance with the agreed action plan.
- **Step 4 Technical assistance and monitoring/assessment:** technical assistance will be offered as necessary by the Global Forum Secretariat, subject to available resources and funding, and by other development partners. It will also monitor and assess whether countries deliver necessary implementation steps in accordance with the agreed action plan. If insufficient progress is made by a committed jurisdiction, technical assistance may be suspended.



Delivering a Level Playing Field

In response to the call of Global Forum members and the G20, the Global Forum has commenced monitoring of all the key milestones which need to be met to ensure a timely delivery of the AEOI commitment. To implement the AEOI Standard, a jurisdiction has to (i) introduce detailed domestic rules requiring their financial institutions to collect and report the data to be exchanged, (ii) conclude international agreements with each of their partners to deliver the widespread exchange networks necessary for automatic exchange, and (iii) put in place the technical solutions to prepare and exchange the data. The Global Forum's monitoring covers each of these elements and is carried out alongside substantive reviews of key areas of AEOI implementation that can be assessed prior to exchanges taking place.

Monitoring and Review

- **Legislative assessments**

A peer review analysis of legislative gaps ensures that laws are not only adopted but also include all of the key reporting and due diligence elements of the AEOI Standard. The Global Forum is now part way through reviewing each jurisdiction's domestic legislative framework implementing the AEOI Standard: a third of the assessments have been completed and the rest are due to be completed in the next 12 months. Where gaps are found then recommendations are made: 25 jurisdictions have already amended their provisions (including primary legislation, regulations and/or guidance) as a consequence to the gap analysis being performed.

The Global Forum is also reviewing the conformance of each jurisdiction's list of non-reporting financial institutions and excluded accounts with the AEOI Standard. More than 70 specific institutions and accounts have already been reviewed, with the rest due to be completed in 2018.

- **Monitoring of international framework**

Each commitment to implement the AEOI Standard includes a commitment to exchange information with "all interested appropriate partners". The Global Forum monitors that each jurisdiction is concluding international agreements with all Global Forum members interested in receiving data from them, provided they meet the confidentiality and data safeguard requirements, and facilitates further agreements where partners are interested. This monitoring has delivered good results, with the networks of partners being enlarged in a number of jurisdictions, even though some more work is in progress.

In particular, this year 7 jurisdictions have signed the multilateral Convention on the Mutual Administrative Assistance in Tax Matters (the MAC) and 9 the related CRS Multilateral Competent Authority Agreement (the CRS MCAA) and several jurisdictions are in the process. Overall, to date the MAC is in force in 99 jurisdictions: 88 jurisdictions committed to implement the AEOI Standard by 2018 and 11 developing

countries which will be able to commence AEOI under this basis in the future.^[9] The CRS MCAA has been signed by 96 jurisdictions.^[10]

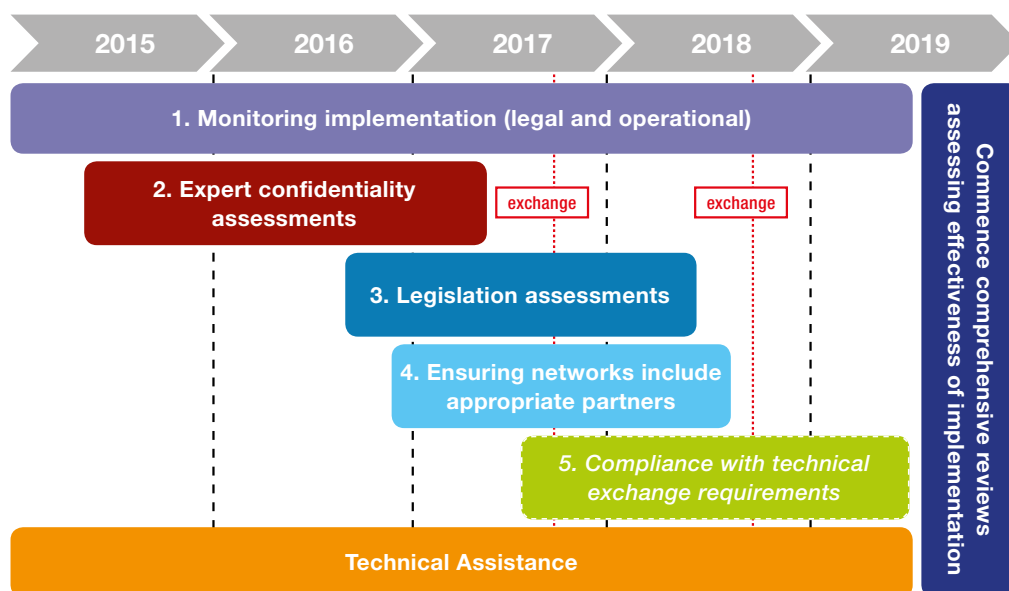
- **Expert-led confidentiality assessments**

Each jurisdiction is assessed by a panel of experts drawn from member jurisdictions in relation to the confidentiality and data safeguard standards they have in place (with a different process for those not receiving data). Where gaps are identified including in the information security management systems which may compromise the security of confidential taxpayer data, assistance is given to address them and be reassessed prior to exchange. All jurisdictions exchanging information in 2017, and almost all of those exchanging in 2018, have already been assessed. The panel of experts is now assessing the latest jurisdictions to commit and is conducting re-assessments as jurisdictions that previously received recommendations make the necessary improvements.

- **Compliance with the technical exchange requirements**

Each jurisdiction’s technical readiness to exchange will also be assessed as part of the last module of the “Staged Approach”. The Global Forum will monitor that all jurisdictions have introduced the necessary IT and operational procedures to ensure the data can be exchanged. This module will be shortly put in place. Meanwhile, throughout the implementation period, the Global Forum has been providing technical assistance where needed.

The Staged Approach



9 The MAC Signatories: http://www.oecd.org/tax/exchange-of-tax-information/Status_of_convention.pdf.

10 The CRS MCAA Signatories: <https://www.oecd.org/ctp/exchange-of-tax-information/MCAA-Signatories.pdf>.

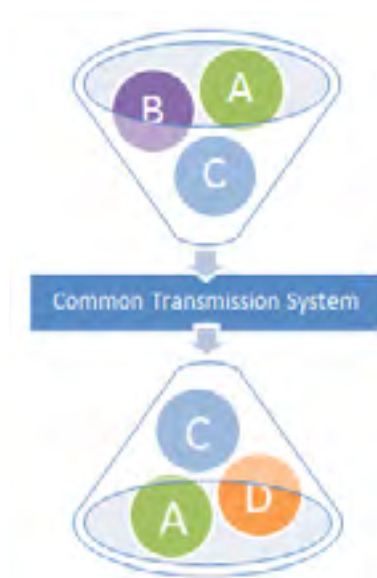
The Progress of Reviews under the “Staged Approach”

1) Legislative assessments: (i) legislative gaps and (ii) lists of non-reporting financial institutions and excluded accounts	(i) 33 and (ii) 20 jurisdictions completed
2) Monitoring of international framework	Ongoing
3) Expert confidentiality assessments	98% completed
4) Compliance with the technical exchange requirements	To be commenced

Preparing for full AEOI reviews

Ultimately, once all currently committed jurisdictions are routinely exchanging information, the Global Forum will be in a position to start a comprehensive peer review process. This year the Global Forum has started developing the Terms of Reference and Methodology for this new full peer review process that is due to commence by 2020. The new Terms of Reference and Methodology will be developed by the Global Forum’s 2018 plenary. The key objectives will be to ensure the AEOI Standard has been implemented effectively, including whether it is ensured that financial institutions are properly carrying out their obligations.

Facilitating exchanges



Automatic information exchange between exchange partners takes place using the Common Transmission System (CTS) developed by the OECD’s Forum on Tax Administration. The CTS has substantially reduced costs, enhanced security levels, and eliminated the need for over 5,000 bilateral transmission channels. The Global Forum has now taken over the role of managing the ongoing operation of CTS.

All the early adopter jurisdictions which commenced exchanges in 2017 enrolled into the CTS and most successfully exchanged information using it. There were however some delays to the exchanges themselves: a couple of minor delays for technical reasons and several more significant postponements in some Caribbean jurisdictions due to the devastation caused by the recent hurricanes. They nevertheless intend to still transmit the data as soon as possible.

The Global Transparency Barometer – AEOI

The 2017 jurisdictions

The results in relation to those that commenced exchanges this year essentially show the full delivery of each aspect of the commitments made. This is an outstanding outcome achieved in less than three years since the endorsement of the new the AEOI Standard. ^[11]

Implementation of the AEOI Standard by the jurisdictions which committed to commence exchanges in 2017 ^[11]

1. *Is the domestic legislative framework in effect?*

100% delivery: all the jurisdictions that committed to exchange information from 2017 have the necessary domestic legal framework in place. Almost all jurisdictions met the expectation that the domestic legislative would be in place by the end of 2015 so that the data would start to be collected by financial institutions from 1 January 2016. There were only a very few exceptions.

2. *Is the international legal framework in place in time for exchanges by the end of September 2017?*

100% delivery: all “early adopter” jurisdictions participate in the MAC which provides a legal gateway for them to automatically exchange information, although some also use other alternative legal bases for exchange (e.g. the MAC does not apply between certain territories that have not signed it in their own right). Equally, all of them signed the CRS MCAA.

3. *Have international agreements been activated with each “interested and appropriate partner” in time for exchanges by the end of September 2017?*

98% delivery: among the 2017 jurisdictions 98% of the potential exchange relationships were activated. The minor gap is essentially due to some bilateral agreements not being in place between jurisdictions that are unable to exchange under the MAC.

4. *Has data been transmitted to partners by the end of September 2017?*

100% delivery with only some delays: all the 2017 jurisdictions signed on the CTS and most successfully exchanged information using it.

¹¹ For further detail, including on the performance of the jurisdictions which committed to commence exchanges in 2018, see the Global Forum’s AEOI Implementation Report 2017: <http://www.oecd.org/tax/transparency/reporting-on-the-implementation-of-the-AEOI-standard.pdf>.

The 2018 jurisdictions

The work to deliver the commitments made is however not yet complete. The results in relation to those committed to exchanging information in 2018 show that some jurisdictions still have more to do. While most jurisdictions are on track, with the domestic laws in place and with some time left to finalise the complete international legal framework, there are a few that have missed key milestones and that have a very challenging timelines to put everything in place to deliver the commitments made. While it is expected that the large majority of the over 100 jurisdictions committed to commence exchanges in 2017 or 2018 will deliver the commitments made, an intense focus on implementation must be maintained.

The Global Forum will continue to closely monitor the delivery of the commitments, including the further activations of the international legal framework.



Part III.

Exchange of Information on Request

Highlights of 2017

Further progress in effective implementation of the EOIR Standard

Since 2009 the Global Forum has conducted and published detailed peer reviews of the effectiveness of the implementation of the EOIR Standard. In April 2016, when the first round of peer reviews was almost completed, the G20 Finance Ministers announced their intention to identify jurisdictions which had not sufficiently progressed towards a satisfactory level of implementation of the tax transparency standards. All countries and jurisdictions were called to upgrade their Global Forum rating to at least “Largely Compliant” with respect to the EOIR Standard. This strong nudge from the G20 triggered massive progress. The Global Forum introduced a Fast-Track review procedure to facilitate the recognition of these improvements quickly: 14 jurisdictions were able to demonstrate their progress leading to a provisional upgrade in their overall ratings. By the time of the OECD report to the G20 Leaders’ Summit in July 2017, only six jurisdictions were still considered “Partially Compliant” or “Provisionally Partially Compliant”, and only one “Non-Compliant”. The upgraded jurisdictions will undergo a full review in 2018.

First 16 reports under the second round of peer reviews already delivered

The second round of peer reviews was launched in July 2016 under the reinforced 2016 Terms of Reference which now reflect the latest developments in international tax transparency. One of the most notable changes is the introduction of the requirement of the availability of beneficial ownership information – aligned with the FATF standard – as well as access to it by the tax authorities. Previously, the Global Forum standard only required the availability of legal ownership and identity information of legal entities and arrangements. The new element strengthens the fight against anonymous shell companies and the use of legal arrangements to conceal ownership identity. A total of 36 reviews have already been launched in the second round and 16 reports have now been adopted by the Global Forum.



The Status of EOIR Commitments

All 147 members of the Global Forum are committed to the EOIR Standard and are assessed through a rigorous peer review process. These peer reviews have been the Global Forum's main activity since 2009: they are carried out by the Peer Review Group (PRG) and adopted by the Plenary. The first round of reviews in which all member jurisdictions and jurisdictions relevant to the work of the Global Forum were reviewed against the 2010 Terms of Reference is now completed and a new second round of reviews under the 2016 Terms of Reference has already commenced.

What Do We Assess?

The Global Forum Terms of Reference break down the EOIR standard into ten essential elements, divided into three main parts: A – availability of information, B – access to information, C – exchange of information. For the exchange of information to be effective, each jurisdiction should have appropriate international EOI instruments in place with all relevant partners, and it must also make sure that the information sought is available and accessible to its competent authority. Through the requirement of availability of reliable information relevant for tax purposes the Global Forum contributes to enhancing tax transparency world-wide.

- **A (Availability of information)**
 - A1 (Legal and beneficial ownership and identity information)
 - A2 (Accounting records)
 - A3 (Banking information)
- **B (Access to information)**
 - B1 (Power to access information)
 - B2 (Rights and safeguards)
- **C (Exchanging information)**
 - C1 (Effective exchange)
 - C2 (Exchange of information network)
 - C3 (Confidentiality)
 - C4 (Rights and safeguards of taxpayers and third parties)
 - C5 (Timely exchange and updates)

Delivering a Level Playing Field

During the course of the first round of peer reviews from 2010 to 2016, the Global Forum conducted more than 250 reviews of the EOIR Standard and assigned more than 110 ratings. An additional 15 reviews were undertaken through the Fast-Track Procedure. The second round of reviews is ongoing, with the first batches of peer review reports approved, showing new ratings.

First Round of Reviews

In accordance with the peer review methodology, reviews examined the legal and regulatory framework (Phase 1) and the implementation of this framework in practice. Once the Phase 2 assessment has been made, each jurisdiction was rated as “Compliant”, “Largely Compliant”, “Partially Compliant”, or “Non-Compliant”. The first round of EOIR peer reviews was fully completed in November 2016. In total, 116 ratings were assigned of which 22 jurisdictions were rated by the Global Forum as “Compliant”, 77 “Largely Compliant”, 12 “Partially Compliant” and 5 “Non-Compliant” with the EOIR Standard. A further four jurisdictions were blocked from a Phase 2 review for a long time and therefore could not be rated in the first round.

Fast-Track Process

The Fast-Track review procedure, adopted by the Global Forum at its 2016 plenary in Tbilisi (Georgia), was designed to recognise progress made by jurisdictions in implementing the EOIR Standard since their last review, in order for the results to be taken into account for the purposes of communicating progress by the Global Forum and for the OECD in preparing a list of non-cooperative jurisdictions for the G20. Under the Fast-Track reviews, jurisdictions had to demonstrate that it is “likely” that its overall rating would be upgraded as assessed against the 2010 Terms of Reference. The review process was rigorous with the reports informed by peer input, approved by the Peer Review Group and then adopted by the Global Forum. However, there was no on-site visit and a draft report was prepared by the Global Forum Secretariat without the involvement of assessors before being discussed and approved by the PRG and adopted by the plenary.

All jurisdictions with an overall rating of “Partially Compliant” or “Non-Compliant” (or the jurisdictions with a deemed “Non-Compliant” rating, or without a Phase 2 rating because of being blocked from a Phase 2 review for a long time) were eligible to apply for a Fast-Track review. Overall, fifteen of the 21 eligible jurisdictions applied. All except Trinidad and Tobago received provisional upgraded ratings in July 2017. Out of these, 13 received provisional ratings of “Largely Compliant” and one “Partially Compliant”.^[12] These provisional ratings reflect the great progress made by the jurisdictions in implementing the EOIR Standard. Many have been able to address serious deficiencies both in their legislative frameworks as well as in EOIR practice. The provisionally upgraded jurisdictions have been scheduled to undergo a full review under the strengthened 2016 Terms of Reference in 2018.

¹² It should be noted that these provisional ratings, similarly to other ratings assigned by the Global Forum under its first round of peer reviews, are not a prediction of the outcome of the next full EOIR review, which will be carried out in accordance with the Global Forum’s methodology and conducted against the 2016 Terms of Reference.

The Results of the Fast-Track Reviews

Jurisdiction	Original GF rating	Provisional Rating
Andorra	Partially Compliant	Largely Compliant
Antigua and Barbuda	Partially Compliant	Largely Compliant
Costa Rica	Partially Compliant	Largely Compliant
Dominica	Partially Compliant	Largely Compliant
Dominican Republic	Partially Compliant	Largely Compliant
Guatemala	Non-Compliant	Largely Compliant
Federated States of Micronesia	Non-Compliant	Largely Compliant
Lebanon	Not Rated	Largely Compliant
Marshall Islands	Non-Compliant	Partially Compliant
Nauru	Not Rated	Largely Compliant
Panama	Non-Compliant	Largely Compliant
Samoa	Partially Compliant	Largely Compliant
Trinidad and Tobago	Non-Compliant	Non-Compliant
United Arab Emirates	Partially Compliant	Largely Compliant
Vanuatu	Not Rated	Largely Compliant

Second Round of Peer Reviews

All members of the Global Forum, as well as non-member jurisdictions identified by the Global Forum as relevant to its work, are reviewed on the basis of the 2016 Methodology and Terms of Reference^[13] and in the order established by the 2016-2020 Schedule of Reviews.^[14] In comparison with the 2010 version, the updated 2016 Terms of Reference includes new aspects or clarification of existing principles with respect to:

- The requirement for the availability of and access to beneficial ownership for all relevant legal entities and arrangements;
- Explicit reference to the existence of enforcement measures and record retention periods for ownership, accounting and banking information;
- Clarification on the standard for the availability of ownership and accounting information for foreign companies;
- Clarification on rights and safeguards;
- Incorporation of the 2012 update to Article 26 of the OECD Model Tax Convention and its Commentary (particularly with reference to the standard on group requests); and
- Requirements concerning completeness and quality of EOI requests and responses.

13 The 2016 Methodology for Peer Reviews and Non-Member Reviews:

<<http://www.oecd.org/tax/transparency/about-the-global-forum/publications/revised-methodology.pdf>>;

The 2016 Terms of Reference to Monitor and Review progress towards Transparency and Exchange of Information on Request for Tax Purposes:

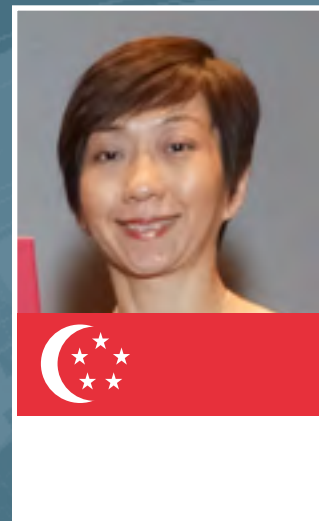
<<http://www.oecd.org/tax/transparency/about-the-global-forum/publications/terms-of-reference.pdf>>.

14 The 2016-2020 Schedule of EOIR Peer Reviews:

<<https://www.oecd.org/tax/transparency/about-the-global-forum/publications/schedule-of-reviews.pdf>>.

“The new round of peer reviews has just commenced. With the first 16 reports adopted in 2017, we have more than 130 jurisdictions to be reviewed in the coming few years. These are herculean efforts to ensure that the same standards are met across the board. Based on the first results, it would appear that not all countries will be able to perform as well as in the first round of reviews due to the enhanced requirements under the 2016 Terms of Reference. Therefore, all jurisdictions should carefully prepare for their reviews by eliminating gaps or deficiencies prior to their reviews. An early recognition that a good rating in the first round is no guarantee for an equally good outcome for the new round is essential. The Secretariat will work hard to provide support tools, such as manuals and training.”

Huey Min Chia-Tern, PRG Chair (Singapore)



A total of 36 peer reviews have been launched in the new round. Following the latest PRG meeting in October 2017, the Global Forum has already adopted 16 peer review reports. In total, 6 jurisdictions have been rated “Compliant”, 8 “Largely Compliant” and 2 “Partially Compliant”. No jurisdiction has been found “Non-Compliant” with the EOIR Standard. The first results flag up the importance of further work being carried out by member jurisdictions on beneficial ownership. Nearly 40 per cent of the reviewed jurisdictions have been rated as “Partially Compliant” (5) and “Non-Compliant” (1) for Element A1 which encompasses the availability of beneficial ownership information and legal ownership information. Whilst a particular rating may be determined by a combination of these issues, the beneficial ownership requirement has often driven this evaluation.

The Second Round of EOIR Peer Reviews under the 2016 Terms of Reference (2016-ongoing)

	Jurisdictions	A1	A2	A3	B1	B2	C1	C2	C3	C4	C5	Overall Rating
1	Australia	PC	C	LC	C	C	C	C	C	C	C	LC
2	Bermuda	PC	LC	C	C	C	C	C	LC	C	C	LC
3	Canada	PC	LC	C	C	C	C	C	C	C	C	LC
4	Cayman Islands	LC	LC	C	LC	C	C	C	C	C	C	LC
5	Curaçao	PC	LC	C	PC	LC	LC	C	C	C	PC	PC
6	Denmark	PC	C	PC	C	C	C	C	C	C	C	LC
7	Germany	LC	C	C	C	C	C	C	C	C	LC	LC
8	India	LC	C	C	C	C	C	C	C	C	LC	LC
9	Ireland	C	C	C	C	C	C	C	C	C	C	C
10	Isle of Man	LC	C	C	C	C	C	C	C	C	C	C
11	Italy	C	C	C	C	C	C	C	C	C	LC	C
12	Jamaica	NC	LC	PC	C	C	C	C	C	C	C	PC
13	Jersey	C	C	C	C	C	C	C	C	C	C	C
14	Mauritius	LC	C	C	C	C	C	C	C	C	C	C
15	Norway	LC	C	C	C	C	C	C	C	C	C	C
16	Qatar	C	C	C	C	C	C	C	C	C	PC	LC
	Compliant (C)	A1 – Ownership Information, A2 – Accounting Records, A3 – Bank Information, B1 – Access Powers, B2 – Rights and Safeguards, C1 – EOI instruments, C2 – Network of Agreements, C3 – Confidentiality, C4 – Rights and Safeguards, C5 –Timely EOI										
	Largely Compliant (LC)											
	Partially Compliant (PC)											
	Non-Compliant (NC)											

Global Transparency Barometer – EOIR

Overall Rating Following Peer Reviews against the Standard of EOIR (as of November 2017)*

Ratings based on First round of reviews	Ratings based on Second round of reviews	Overall rating
Belgium, China (People's Republic of), Colombia, Finland, France, Iceland, Japan, Korea, Lithuania, Mexico, New Zealand, Slovenia, South Africa, Spain, Sweden	Ireland, Isle of Man, Italy, Jersey, Mauritius, Norway	Compliant
Albania, Argentina, Aruba, Austria, Azerbaijan, Bahamas, Bahrain, Barbados, Belize, Botswana, Brazil, British Virgin Islands, Brunei Darussalam, Bulgaria, Burkina Faso, Cameroon, Chile, Cook Islands, Cyprus, Czech Republic, El Salvador, Estonia, Former Yugoslav Republic of Macedonia, Gabon, Georgia, Ghana, Gibraltar, Greece, Grenada, Guernsey, Hong Kong (China), Hungary, Israel, Kenya, Latvia, Lesotho, Liechtenstein, Luxembourg, Macao (China), Malaysia, Malta, Mauritania, Monaco, Montserrat, Morocco, Netherlands, Nigeria, Niue, Pakistan, Philippines, Poland, Portugal, Romania, Russia, San Marino, Senegal, Singapore, Slovak Republic, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Saudi Arabia, Seychelles, Switzerland, Turks and Caicos Islands, Uganda, United Kingdom, United States, Uruguay	Australia, Bermuda, Canada, Cayman Islands, Denmark, India, Germany, Qatar	Largely Compliant
Andorra, Antigua and Barbuda, Costa Rica, Dominica, Dominican Republic, Guatemala, Federated States of Micronesia, Lebanon, Nauru, Panama, Samoa, United Arab Emirates, Vanuatu		Provisionally** Largely Compliant
Anguilla, Indonesia, Sint Maarten, Turkey	Curaçao, Jamaica	Partially Compliant
Marshall Islands		Provisionally** Partially Compliant
Trinidad and Tobago***		Non-Compliant

* Visit this web page <http://www.oecd.org/tax/transparency/exchange-of-information-on-request/ratings/> for the full tables of ratings.

** These jurisdictions have been reviewed under the Fast-Track review procedure and assigned a provisional overall rating. These jurisdictions have been scheduled to undergo a full review under the strengthened 2016 Terms of Reference in the near future.

*** This jurisdiction applied for the Fast-Track review, but the progress it demonstrated was not sufficient to justify an upgrade of its rating beyond Non-Compliant.



Part IV.

Technical Assistance
Supporting the Global Progress
towards **Greater Tax Transparency**

Through its well-established technical assistance work, the Global Forum is reaching out in numerous ways to provide support to jurisdictions seeking to comply with and fully benefit from the EOIR and AEOI standards. This work involves not just helping jurisdictions to develop skills of particular individuals but also enhancing the capacity of an entire organisation or institution. Such institutional changes are time- and resource-consuming and cannot be achieved overnight. Whilst there is no magic shortcut, the Global Forum has developed a number of tools to facilitate the progress and support countries in their journey towards the effective use of the most modern tax administration tools.

Most new members joining the Global Forum are developing countries with little EOI experience. To help these countries, the Global Forum Secretariat developed at the end of 2015 an on-boarding programme involving technical assistance for new developing country members (the Induction Programme). The programme is aimed at creating awareness of the rights and obligations of members, preparing new members for the review process, and helping put in place the infrastructure needed to benefit from information sharing and domestic revenue mobilisation. As part of this programme, a roadmap setting out the next steps, timelines and responsibilities is drawn up and agreed on between the jurisdiction and the Global Forum's Secretariat. This is followed by preliminary assessment of the country's EOIR and AEOI legal framework, organisation, processes and practices before developing and drawing up an action plan.

Over 20 countries are either currently involved in an induction programme or are in the process of one being initiated. For those developing countries which are not covered by ongoing induction programmes, assistance is provided on a more *ad-hoc* basis.



Induction Programmes

Armenia • Benin • Cambodia • Chad • Côte d'Ivoire • Djibouti • Ecuador • Egypt • Guyana • Haiti • Lebanon • Madagascar • Maldives • Moldova • Niger • Papua New Guinea • Paraguay • Rwanda • Tanzania • Thailand • Togo

What type of assistance is provided to Global Forum members?

• AEOI-Related Technical Assistance

The Global Forum supports its members in building various components of the necessary AEOI framework, providing advice and support where needed in order for them to be fully ready and avoid pitfalls. More than half of the jurisdictions committed to automatically exchange information by 2018 have received some kind of assistance on a variety of aspects related to AEOI implementation: drafting legislation, meetings with their financial industry to explain the reasoning and obligations behind the CRS and putting in place confidentiality and data safeguards requirements. The demand for technical assistance on AEOI continues to grow due to the increasing involvement of developing countries in AEOI and the Global Forum stands ready to assist its members.

“Menu à la Carte” of Technical Assistance on AEOI

- Induction programmes for new members
- High-level political engagement and consultations with major Government and financial sector stakeholders, including industry consultations
- Awareness- and capacity-building trainings (regional and tailored for a specific country)
- Preliminary assessment of AEOI capacities for developing countries
- Confidentiality and data safeguards expert support for committed jurisdictions
- Legislative advice and drafting support for putting in place CRS regulation
- Assistance with becoming a party to the MAC and the CRS MCAA
- Bi-lateral projects to stimulate per-to-peer learning, the so-called “AEOI pilot projects”

Country-level policy, law-drafting and operational advice

Legislation

One of the biggest challenges for many small and developing country members in meeting the AEOI standard is translating the due diligence and reporting requirements set out in the AEOI standard into domestic law. Governments often lack adequate numbers of trained and experienced personnel to draft what is a complex suite of legislation. To assist its members, the Global Forum has developed model legislation to help with this task and has worked closely with many members to adapt the model to their domestic circumstances.

Nearly 30 jurisdictions benefitted from AEOI-related drafting assistance in 2017.

Confidentiality and Data Safeguards

In order to automatically obtain exchanged information from treaty partners, a jurisdiction must first establish that it has in place proper safeguards to keep the received data confidential and secure. As the



volume of information being exchanged is potentially very large, it can be quite a struggle for small and developing countries to find and justify the resources needed to implement an effective IT and information security management (ISM) system. The Global Forum Secretariat plays an integral role in assisting many committed AEOI jurisdictions to implement satisfactory ISM systems and enact necessary regulation.

Approximately 30 jurisdictions have received assistance in preparing and implementing their confidentiality and data safeguards action plans.

[Pilot Projects](#)

In order to better assist developing jurisdictions in implementing the AEOI standard and to respond to calls from the G20, the Global Forum has launched several pilot projects to pair a developing country with a developed country as a means of offering directed support in the process of drafting legislation and putting in place necessary confidentiality and data safeguards. There are currently six pilot projects underway: Albania and Italy; Georgia and Germany; Ghana and the United Kingdom; Morocco and France; Pakistan and the United Kingdom; Philippines and Australia. The pilot project between Colombia and Spain came to a successful conclusion with Colombia exchanging information under the CRS in September 2017.

Capacity-building seminars and training

Ongoing training to government and the financial industry is provided to jurisdictions needing assistance in implementing the AEOI standard or which have not yet committed to a specific timeline but are interested in benefiting from implementing the standard. In addition to jurisdiction-specific training based on customised needs, regional events have been offered throughout the year to provide training for government officials involved in the decision-making process and those overseeing and potentially playing key roles in the implementation of the AEOI Standard.

• **EOIR-Related Technical Assistance**

The EOIR-related assistance for many developing countries, especially in Africa, has enabled them to achieve a satisfactory rating in their first round of peer reviews. The enhanced 2016 Terms and Reference create new challenges which are at the centre of technical assistance priorities for 2018-2020, most notably the implementation of the beneficial ownership requirement.

“Menu à la Carte” of Technical assistance on EOIR

- Induction programmes for new members
- High-level political engagement and consultations with major stakeholders
- Awareness- and capacity-building seminars (regional and tailored for a specific country)
- Preliminary assessment of EOIR prior to a peer review
- Legislative advice and drafting support in putting in place EOI-related legislation, including on access powers, beneficial ownership, etc.
- Operational advice on EOI set-up and organisation
- Supplying EOIR-related tools, such as the EOIR Manual and tracking software
- Assistance with becoming a party to the MAC

Country-level policy, law-drafting and operational advice

The Secretariat is heavily invested in providing technical assistance to our members to upgrade their legal framework or practices for effective EOIR. These activities include offering country-level policy advice, assistance in drafting legislation, as well as guidance on organisation practices to ensure that members can successfully respond to incoming EOIR requests and make requests themselves to treaty partners. In addition, the Secretariat is working with those jurisdictions that have requested assistance in preparation for their upcoming EOIR review under the new 2016 Terms of Reference. Particular interest has been expressed by jurisdictions on the new beneficial ownership requirement. Capacity in this area is being built-up through regional seminars and one-on-one assistance with support from regional organisations.

More than 20 jurisdictions benefitted from EOIR-related drafting assistance, including that on beneficial ownership, in 2017.

Capacity-building seminars and training

Ongoing training is provided to jurisdictions needing assistance in implementing the EOIR standard or improving practices for EOI. In addition to jurisdiction-specific trainings based on customised needs, regional trainings are offered throughout the year to provide seminars for assessors and assessed jurisdictions, focusing on the new 2016 Terms of Reference and peer review process. In addition, in 2017, the Global Forum has also begun offering specialised seminars on beneficial ownership on a regional basis.



Zooming into Regional Dimension of TA work

Africa Initiative

Recognising the special circumstances of African countries which suffer from inequality caused by a lower capacity of capturing economic activity within their borders, the Global Forum has banded together with several other countries and international organizations to launch a specific programme aimed at helping unlock the potential for transparency and EOI in Africa. The Global Forum has provided numerous trainings to African countries on EOI regionally and bilaterally, including how to create functioning EOI units and how to make EOI requests. In addition, nine “First Mover” African countries (Burkina Faso, Cameroon, Gabon, Ghana, Kenya, Liberia, Morocco, Nigeria and Uganda) have agreed to meet concrete targets to improve their legislation and practice of EOI in the first three years of this initiative.

LAC Project

An inter-agency collaboration was established in November 2016 between the Global Forum, the Inter-American Centre of Tax Administrations, the Inter-American Development Bank and the World Bank Group to promote and support capacity-building in the Latin America and Caribbean (LAC) region, with the ultimate goal of having all jurisdictions in the region implement the standards on transparency and EOI thereby improving domestic resource mobilisation. The four organisations are working in a coordinated manner to an agreed work plan avoiding duplication of resources and wherever possible ensuring that assistance is being conducted jointly within the framework of the inter-agency collaboration agreement.

Asia

A regional approach similar to the template of the Africa Initiative and LAC Projects is currently being developed for new member developing countries in Asia with the ADB. A number of joint projects have already commenced while the overall architecture of the initiative is being finalised.





Part V.

The Breakthrough
in Tax Transparency:
What Does It Deliver?

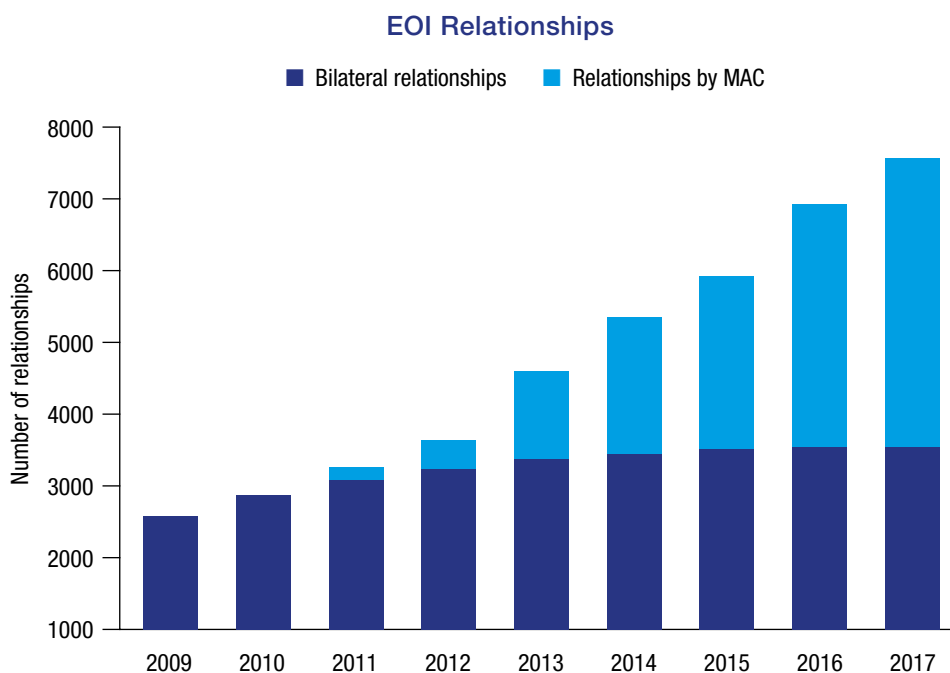
The progress which has been achieved in the past decade in the field of tax transparency and exchange of information for tax purposes is unparalleled. Not only the geographical scale of tax cooperation has expanded but also the scope of information which is being shared between tax authorities has broadened. New milestones are reached every year as the global movement towards greater tax transparency continues to spread and yield benefits, both to individual jurisdictions and the world economy as a whole.

Stronger cooperation at the intergovernmental level

Following the G20's call to end the era of bank secrecy and restructuring of the Global Forum in 2009, its membership has grown and it keeps increasing. Today nearly 150 jurisdictions participate in the Global Forum, making it the largest platform for international cooperation on tax transparency and exchange of information. A dozen of meetings – in addition to seminars and other capacity-building events – are held each year between Global Forum members to take important decisions on peer evaluation and other issues associated with the effective implementation of the EOIR and AEOI standards. The G20 Leaders and Finance Ministers actively support this work by recognising the critical importance of tax transparency and exchange of information for international cooperation, as well as tax and development work.

Wider network of EOI relationships

The overall number of countries and jurisdictions which can exchange information has dramatically increased. In the past decade, thousands of new EOI relationships have been created. This progress has been largely driven by the multilateral Convention on Mutual Administrative Assistance in Tax Matters (the MAC) which has achieved remarkable success in bringing countries to the table and activating EOI relationships amongst each other. Other instruments that are used to enable cross-border EOI between tax authorities include double tax treaties and bi-lateral tax information exchange agreements. The number of these instruments has also been steadily growing.



In 2009, only 19 countries and jurisdictions were participating in the MAC. As of November 2017, the MAC has been signed by 115 jurisdictions, creating a network which would otherwise require over 6,000 bi-lateral treaties. The signatories represent a wide range of countries, including all G20 countries, all BRICS, all OECD countries, major financial centres and an increasing number of developing countries. The increase in the number of signatories has come about not just because of peer pressure. It has been driven by the recognition of benefits which jurisdictions can obtain from having healthy exchange relationships with treaty partners. The MAC has proven particularly useful for smaller jurisdictions and developing countries which face resource-constraints in negotiating bi-lateral instruments.

Increasing effectiveness of EOIR implementation

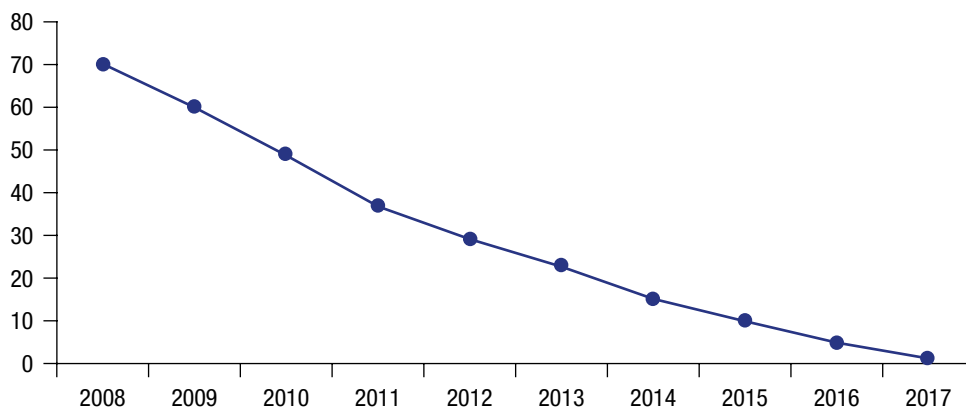
All members of the Global Forum are committed to the EOIR standard and undergo a peer review. The assessments which had been carried out by the Global Forum under the 2010 Terms of Reference illustrate tremendous progress in the effective implementation of the EOIR standard: 94 per cent of the reviewed jurisdictions have been rated as “Compliant” or “(Provisionally) Largely Compliant”. In July 2017, only one jurisdiction was listed by the G20 as non-cooperative (Trinidad and Tobago) and is expected to address the identified gaps as soon as possible.

Many jurisdictions have made substantial changes to their legal and regulatory frameworks and practices before and after their reviews. The highlights include:

- *Bank secrecy*

Pressure to conform to the EOIR standard has resulted in almost all jurisdictions with bank secrecy rules to lift the restrictions and make room for cross-border information sharing between tax authorities. Following the Fast-Track reviews, the overall number of jurisdictions which have eliminated strict bank secrecy since 2008 reached 69. This marks a nearly universal extinction of bank secrecy for EOI purposes in the jurisdictions which have been reviewed by the Global Forum in the first round of peer reviews. As a result, there are fewer and fewer places left for taxpayers to hide their wealth from legitimate government investigations. With the commencement of automatic exchanges of financial information the era of bank secrecy is truly over. This is a success which was unthinkable just a few years ago.

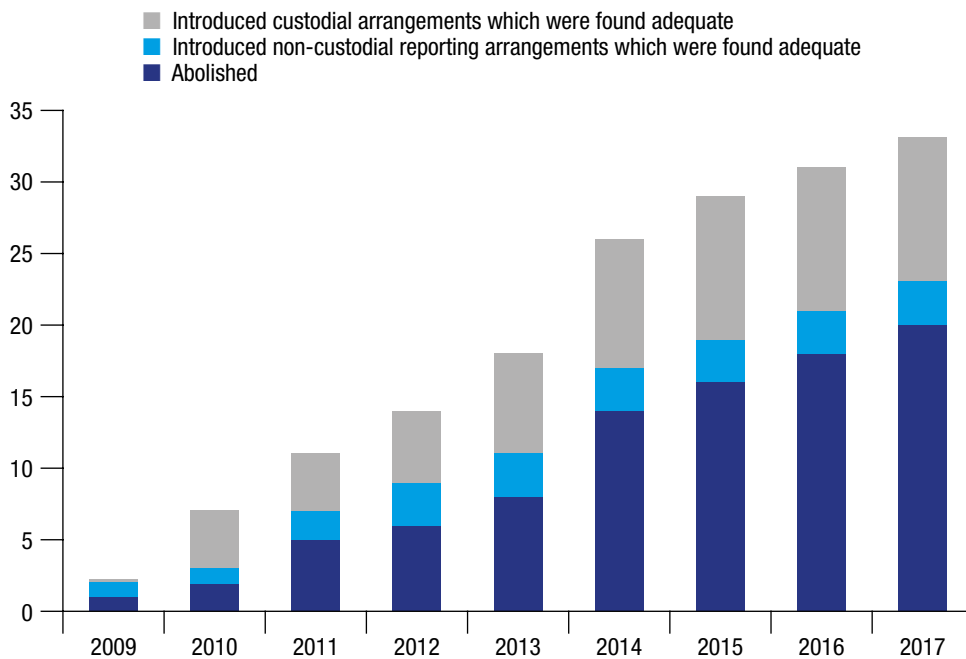
Jurisdictions with Restrictions on Access to Bank Information for EOI Purposes



• Shell companies

The size and scale of offshore tax evasion are exposed by the various data leaks that have occurred over the last few years. Many of the schemes involved the issue of bearer shares. The Global Forum has repeatedly warned of the dangers bearer shares pose to good tax administration and has convinced many countries to do away with such regimes, leaving only a handful in place.

Abolition and Immobilisation of Bearer Shares (cumulative)



In the process of the Fast-Track reviews carried out in the first half of 2017, the 15 reviewed jurisdictions have demonstrated the following steps:

- 2 jurisdictions have abolished bearer shares;
- 9 jurisdictions have improved their access powers to meet the EOIR Standard, particularly with regard to access to bank information;
- 4 jurisdictions have amended their rules to enable the access to and exchange of bank information;
- 9 jurisdictions have introduced provisions to ensure the availability of accounting records;
- 11 have improved their oversight and enforcement of obligations to maintain information;
- 10 jurisdictions have expanded their network of exchange relationships; and
- In a number of cases, Global Forum members have provided peer input confirming that exchange of information in practice has also improved.

International pressure continues to grow in other critical areas

The next step, as recognised in the enhanced 2016 Terms of Reference, is for all jurisdictions to have a line of sight into the beneficial owners of all legal entities and arrangements, connecting the financial benefits from economic activity with true owners.

More modern and effective tools become available

This year marks a critical milestone for the Global Forum as its second EOI standard becomes operational. In total, nearly 50 member jurisdictions have commenced automatic exchanges of financial account information, to be followed by a further 53 jurisdictions in 2018 and a growing line up to the 2020 starting date and beyond.

Higher tax revenues

The impact of the AEOI has already been felt. As reported by the OECD to the G20, in response to disclosure initiatives and similar measures put in place prior to the start of exchanges approximately 500,000 individuals have already disclosed offshore assets worldwide, and some EUR 85 billion in additional tax revenue has been collected.^[15] The gains reported by the governments around the world include:

- *Brazil* reported that the total value of previously undeclared taxable foreign income disclosed during the fiscal year through a legislative or administrative disclosure mechanism or practice has reached nearly R\$ 170 billion in 2016. The total tax, interest and penalties collected as a result come to almost R\$ 47 billion (approximately €12 billion).
- *France* launched a voluntary disclosure programme in 2013, prior to implementing the AEOI Standard. As at September 2017, more than 50,000 taxpayers voluntarily disclosed €32 billion in hidden assets and €7.8 billion in tax were recovered.
- *India*, prior to its first automatic exchange of financial account information in 2017, launched an Income Declaration Scheme in 2016 which persuaded 65,000 taxpayers to disclose assets of \$11 billion not previously declared. The voluntary disclosure programme started on 1 June 2016 and ended on 30 September 2016. A total of \$6 billion in tax was recovered.
- *Indonesia* has recently recovered more than \$10 billion in tax under an amnesty scheme developed prior to its introduction of the CRS. Almost one million taxpayers disclosed \$366 billion of previously undisclosed assets.

The gains from the exchanges on request are also increasing, albeit are harder to quantify as information requests support ongoing tax investigations, so should be best seen as a supplementary tool. Nevertheless, the following examples can illustrate potential gains associated with the effective implementation and use of the EOIR:

- *Australia* requested information from ten countries on more than 400 occasions in 2013. It was able to recover €326 million from these exchanges, amounting to roughly €800,000 per exchange.
- *Burkina Faso* set-up an exchange of information unit in 2015. The first EOI requests were sent in 2017 (7 requests). As of September 2017, the tax administration's estimation is to recover over \$2.4 million in taxes from its first requests sent.

¹⁵ The OECD Secretary-General Report to G20 Leaders (July 2017): <http://www.oecd.org/ctp/oecd-secretary-general-tax-report-g20-leaders-july-2017.pdf>.

- *The Philippines* restructured its exchange of information unit and systems in 2013. In 2014, it recovered more than \$1 million in just two cases as a result of exchange of information.
- *The South Africa* collected \$62.24 million through a settlement from one taxpayer in 2013. The exchange of information played a determining role in the collection of tax in this case.
- *Sweden* recovered €4 million in tax from exchange of information in 2013.
- *Uganda* set-up its exchange of information unit in March 2014. Since its inception, the unit has sent over 30 information requests and responded to several requests. Uganda recovered over \$9 million in taxes in 2015/2016.



Part VI.

What's Next?

Ensuring a full delivery of the 2018 AEOI commitments

The Global Forum will continue its monitoring and preliminary assessment activities in the field of AEOI as they have proved very effective in ensuring that jurisdictions put in place all necessary components in a coherent manner, making them ready for full assessments which will commence by 2020. The high priority for 2018 is to ensure the full delivery of the AEOI Standard by jurisdictions committed to exchanging information from 2018. Some of these jurisdictions do not have a prior experience in electronic reporting and therefore monitoring activities will be intensified on the operational aspects.

Preparing for full AEOI reviews

The work on the new Terms of Reference and Methodology for full AEOI reviews will take a central stage and the framework will be developed for the 2018 Plenary in Uruguay. The new review process needs to be comprehensive to deliver a level playing field, whilst offering an efficient and resource-effective framework.

Making progress towards the AEOI in developing countries

With the first wave of jurisdictions well underway in the implementation of the AEOI Standard, the Global Forum turns its focus to developing countries. The Global Forum's endorsement of the step-by-step approach and the publication of the *Plan of Action for Developing Countries Participation in AEOI* are expected to provide a political impetus for further progress in this direction.

Continuing the EOIR peer reviews and supporting further progress

The Global Forum will continue its peer review work according to the 2016-2020 Schedule of Reviews, aiming to publish nearly 30 reports in 2018. The Secretariat will carry on its technical assistance work to prepare members for the second round of EOIR peer reviews through ongoing training seminars and tailored advice upon request. To achieve a successful review in the second round, it is important for jurisdictions to act upon recommendations made in the first round and ensure the effective implementation of the new elements under assessment, most critically a beneficial ownership requirement. In addition, assistance is being given to help improve members' quality of EOI requests and to assist jurisdictions with the effective use of EOIR tools.

Beneficial ownership – addressing the emerging challenge

Following the call by the G20 Leaders on ways to improve the implementation of the internationally agreed standards on transparency, including on the availability of beneficial ownership information of legal persons and legal arrangements, and its international exchange, the Global Forum developed several proposals and has been working to implement them. To this end, the 2016 Terms of Reference now include new emphasis on the availability of and access to beneficial ownership information. The first EOIR reviews demonstrated that this requirement will require substantial technical assistance. In order to address this new emerging challenge, the Global Forum will publish a manual on beneficial ownership, as well as generally enhancing its technical assistance in this complex area.

Advancing impact assessment work

The unprecedented progress triggered by the Global Forum in the past decade has generated a strong interest in the impact of exchange of information amongst member jurisdictions, the private sector (legal professions, financial institutions, etc.), non-governmental organisations and the general public in measuring the scale and impact of these changes. To better inform all stakeholders, the Global Forum is currently putting in place an impact assessment module to collect evidence on changes in the tax environment and revenue consequences. This work will remain one of the Global Forum's priorities in 2018.

The background of the page is a vibrant blue with a dynamic, abstract pattern of curved, overlapping lines and semi-transparent squares. The colors range from deep navy blue to bright cyan. The squares are scattered across the page, some overlapping the lines, creating a sense of depth and movement. The overall effect is modern and technological.

Part VII.

Annexes

Annex 1. The Global Forum Plenary: Statement of Outcomes

(November 2017, Yaoundé, Cameroon)

1. On 15-17 November 2017, 186 delegates from 78 jurisdictions and 12 international organisations and regional groups came together in Yaoundé, Cameroon, for the 10th annual meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum). This year's gathering was held in Cameroon in recognition of the critical importance of tax transparency and exchange of information work for developing countries, in particular those in the African continent.
2. The meeting took place in the backdrop of the recently released "Paradise Papers" which once again publicly highlighted the global problem of cross-border tax avoidance and evasion, issues that require an international response to deal with them effectively. Members acknowledged the progress that has been made in working multilaterally within the framework of the Global Forum – by far the largest international tax grouping ensuring the effective implementation of international standards – in providing tax authorities the right tools to fight offshore tax avoidance and evasion. They resolved to continue to make progress towards more effective international tax cooperation to deal with common international challenges faced.
3. The Global Forum welcomed 10 new members which have joined since its last meeting: Benin, Cambodia, Djibouti, Ecuador, Faroe Islands, Greenland, Haiti, Madagascar, Rwanda and Thailand, bringing membership to a total of 147 jurisdictions. A new powerful exchange of information infrastructure is emerging, with both the Global Forum standards of exchange of information on request (EOIR) and automatic exchange of information (AEOI) together providing an effective suite of international tax compliance tools, and with more and more jurisdictions participating and using them to great effect.
4. Discussing last year's accomplishments, the current and future global challenges in the area of fighting tax avoidance and evasion, and potential next steps, the delegates:
 - Recognised that the successful commencement of first exchanges of financial account information under the Global Forum's AEOI Standard is a historic milestone. The first gains of AEOI are already being realised through voluntary compliance and disclosure programmes, and more is expected with those jurisdictions that exchanged information in 2017 exploiting the data received.
 - Welcomed the progress reported in the first public *AEOI Implementation Report*^[16] and called on the further 53 jurisdictions committed to commence exchanges in September 2018 to maintain their intense focus to deliver on their commitments in full. This is particularly pressing for those yet to finalise their domestic and international legal frameworks.
 - Adopted *The Plan of Action for Developing Countries Participation in AEOI*^[17] designed to help developing countries identify a suitable timeline and subsequently implement and benefit from AEOI. Recognising the resources required, the Global Forum calls on the international development agencies, governments and other potential donors to support this vital agenda.

16 AEOI Implementation Report 2017:

<http://www.oecd.org/tax/transparency/reporting-on-the-implementation-of-the-AEOI-standard.pdf>

17 The Global Forum's Plan of Action on Developing Countries and AEOI (2017):

<http://www.oecd.org/tax/transparency/plan-of-action-AEOI-and-developing-countries.pdf>

- Welcomed the progress made by 14 jurisdictions in upgrading their compliance ratings on a provisional basis on the implementation of the EOIR Standard through the Fast-Track procedure and encouraged the continued demonstration of progress in light of the upcoming peer reviews against the 2016 Terms of Reference.
- Released the first 16 reports under the second round of peer reviews of EOIR with new ratings. Acknowledging the challenges associated with a strengthened EOIR Standard which includes requirements on beneficial ownership, and with over 130 more peer reviews scheduled for 2018-2021, encouraged all members to intensify the work aimed at tackling potential or already identified gaps or deficiencies.
- Restated its role as the leading international body on issues of transparency and EOI for tax purposes^[18] and committed to continue engaging with relevant bodies to ensure that all initiatives relating to tax transparency, such as the identification of non-cooperative jurisdictions, are fully aligned with the work of the Global Forum to ensure an accurate, coherent and consistent recognition of this work. The international community must stand united and send a clear message to deliver the action required.
- Some members expressed concern that the ongoing EU listing process, which includes criteria related to tax transparency, is occurring outside of the framework of the Global Forum. While acknowledging that the EU criteria on transparency rely on the work of the Global Forum, the links to transparency aspects within the fair taxation criteria lack clarity. Several members expressed the need for a platform to support further clarification of the criteria to ensure their objective and consistent understanding and application on the basis of the principle of level playing field. It was agreed that it is desirable to discuss the issues further in an informal voluntary group comprising of the Global Forum and Inclusive Framework members working together with the EU Code of Conduct Group and drawing on the work of the Global Forum and of the Forum on Harmful Tax Practices. To that end, the Secretariat was requested to liaise with the EU Code of Conduct Group to discuss the modalities and timing of the joint work.
- Expressed determination to reinforce its technical assistance work so as to ensure that developing countries advance more quickly to benefit from tax transparency and called on all relevant actors to support developing countries in benefitting from the international tax transparency environment.

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

Automatic Exchange of Information (AEOI)

6. The Global Forum welcomed the full delivery of the commitments made by the jurisdictions which led the agenda and commenced exchanges this year.^[19] The 49 “early adopter” jurisdictions put in place the necessary domestic and international legal frameworks and signed up to the Common Transmission System for exchange. Minor delays are primarily attributed to the devastation caused by the recent hurricanes in several Caribbean jurisdictions, which will come back online as soon as possible. This successful kick-off marks a significant change in the landscape of global tax transparency.

¹⁸ The Global Forum is the only international body endorsed as such by the G20,

¹⁹ AEOI Implementation Report 2017:

<http://www.oecd.org/tax/transparency/reporting-on-the-implementation-of-the-AEOI-standard.pdf>

7. The potential of AEOI will only be felt where there is an international level playing field. This would require the full delivery by the further 53 jurisdictions due to begin exchanges next year. Members discussed the results of the Global Forum’s monitoring, as set out in the public report, *AEOI Implementation 2017*. It shows that those exchanging this year have delivered and those commencing exchanges next year have made significant progress in implementation. Most jurisdictions are fully on track to deliver on their commitments. There are, however, a few jurisdictions that have missed key milestones and face challenging timelines to deliver. The Global Forum called on these jurisdictions to speed up their implementation and ensure a timely and full delivery of their commitments. The next progress report will be published by the end of 2018.
8. The ongoing importance of effective confidentiality and data safeguards frameworks in member jurisdictions was underscored and jurisdictions were encouraged to meet the required standards to ensure they are able to receive information under the AEOI Standard. Given the risks associated with possible confidentiality breaches, the Global Forum agreed upon an interim coordinated communications plan to be put in place at a multilateral level.
9. A process to assess whether agreements are being put in place with all “interested appropriate partners” (being those interested in receiving information and which meet the required standards in relation to confidentiality and the proper use of data), which is crucial for the delivery of a level playing field, has delivered good results. The network of partners has been enlarged in a number of jurisdictions, and more is in progress. The monitoring of international frameworks and activated relationships will be an increasing focus of the Global Forum’s attention in 2018.
10. Ensuring a full delivery of the AEOI commitments will remain at centre stage in 2018. The Global Forum mandated the AEOI Group to develop detailed Terms of Reference and Methodology for a new full peer review process of the AEOI implementation that is due to commence in 2020. This framework will be completed in time for approval by the 2018 plenary of the Global Forum. In the meantime, the staged approach – designed to monitor, assess and support the delivery of each key aspect of the AEOI Standard – will remain in place and provide a departure point for the new Terms of Reference and Methodology.
11. The emerging evidence of the effectiveness of AEOI in strengthening tax compliance attracts new voluntary commitments. Developing countries show a growing interest in implementing the AEOI Standard. After Ghana and Albania, which committed in 2014, this year five new commitments have been announced: Azerbaijan, Maldives, Nigeria, Pakistan and Peru. To encourage further participation, the Global Forum adopted *The Plan of Action for Developing Countries Participation in AEOI* which introduces a new enhanced commitment process and encouraged all developing countries to take advantage of it.^[20] The step-by-step approach embedded in this plan of action builds upon the experience gained by the Global Forum in the past three years through AEOI pilot projects and other technical assistance activities. No country will be left out with progress delivered through bespoke assistance and plans recognising the diverse capacities and experience.

Exchange of Information on Request (EOIR)

12. Members welcomed the successful conclusion of the Fast-Track review procedure which was put in place following the April 2016 call by the G20 on all jurisdictions to upgrade their rating to a

²⁰ The Global Forum’s Plan of Action for Developing Countries Participation in AEOI (2017): <http://www.oecd.org/tax/transparency/plan-of-action-AEOI-and-developing-countries.pdf>

satisfactory level by the G20 Summit in July 2017 where non-cooperative jurisdictions in the field of tax transparency were to be named. In total, 15 out of 21 eligible jurisdictions applied, leading to a provisional upgrade of 14 overall ratings. All provisionally upgraded jurisdictions have been scheduled for a full peer review under the 2016 EOIR Standard in the near future.

13. At the end of the first round, 119 jurisdictions have been rated, with 18% of them that have achieved a rating of “Compliant” (22), while the majority (75%) needs to make some progress and was rated “Largely Compliant” (77) or “Provisionally Largely Compliant” (13). The remaining 7% were recommended to address serious issues and rated as “Partially Compliant” (5), “Provisionally Partially Compliant” (1) or “Non-Compliant” (1). The Global Forum appreciated the work taken over the past few years by its members to implement the EOIR Standard and the recommendations made, and urged the jurisdictions to sustain their efforts in the fast-approaching second round reviews. The Global Forum will continue to work with the jurisdictions which have not yet achieved a satisfactory rating.
14. The second round of peer reviews launched in July 2016 reflects the latest developments in international tax transparency, including the requirement to have access to beneficial ownership information which strengthens the fight against anonymous shell companies and the use of legal arrangements to conceal ownership identity. A total of 36 reviews have already been launched in the second round. 16 reports have now been adopted by the Global Forum, of which 6 ratings are “Compliant”, 8 “Largely Compliant” and 2 “Partially Compliant”.
15. The Global Forum continues scrutinising non-members to prevent jurisdictions from gaining a competitive advantage by refusing to implement the EOI standards. This year members have agreed that Bosnia and Herzegovina, Montenegro and Serbia are of relevance for EOIR purposes. These jurisdictions will be invited to become members of the Global Forum and scheduled for peer reviews against the 2016 EOIR Standard.

Technical Assistance

16. Technical assistance work has now become integral to the Global Forum’s operation and much of the successful progress achieved in the past decade would not have been possible without it. In the past year, focus has been on supporting jurisdictions eligible to undergo the Fast-Track reviews, jurisdictions implementing the AEOI Standard, providing support to implement the beneficial ownership requirements and helping new member jurisdictions to implement the standards and benefit from this process.
17. Developing countries represent more than half of the Global Forum members and comprise practically all new members, many of them having little exchange of information experience. Members agreed that close support in the first few years of a jurisdiction’s participation is vital and commended the induction programmes put in place to assist more than 20 new members developing their exchange of information procedures and practices.
18. The Global Forum welcomed the launch of the next three-year phase of the Africa Initiative which – in addition to EOIR – will now focus on providing support and assistance to implement AEOI. If African countries are to fully benefit from the most recent improvements in global tax transparency and tackle illicit financial flows, they must be enabled to participate in AEOI. The Global Forum

commended the Yaoundé Declaration^[21] and welcomed the support provided to the Africa Initiative by the UK's Department for International Development, the Swiss Confederation, and the French Ministry of Foreign Affairs which has just renewed its financial support.

19. With the extended AEOI commitment process in place, the breadth of the Global Forum's technical assistance work will further expand. The Global Forum therefore calls on the G20, international development agencies, governments and other potential donors to provide political, financial and other support for this agenda. Recognising the potential difficulties which many jurisdictions face – in particular those less developed – in relation to information security management, the Global Forum strongly emphasises the importance of technical support in this field. Members also emphasise the need to collaborate with regional organisations, such as the African Tax Administration Forum (ATAF), the Centre de rencontres et d'études des dirigeants des administrations fiscales (CREDAF) and the Inter-American Center of Tax Administrations (CIAT), to expand the reach of the Global Forum's technical assistance and achieve greater synergy.

Governance and budget

20. The Global Forum agreed to extend the terms of the Chair and Vice Chairs of the AEOI Group for another two years until the end of 2019.
21. An intermediate financial report for 2017 was considered and the Global Forum adopted the budget proposals for 2018.

Impact Assessment

22. Global movement towards greater transparency and exchange of information for tax purposes continues to spread and yield significant benefits. To better inform all stakeholders, the Global Forum agreed to expand its impact assessment work which aims to evaluate the scale of the changes and impact generated by the progress achieved in the past decade, in particular those associated with AEOI. The outcomes will inform and enrich the future work of the Global Forum and members agreed to participate fully in this work.

Next Steps

23. The key focus in 2018 will be on the full and timely delivery of the commitments made by the jurisdictions scheduled to commence AEOI exchanges in 2018, the development of the framework for the full AEOI peer reviews and the progress in the implementation of the AEOI Standard by developing country members. Furthermore, in relation to the EOIR Standard, the Global Forum will deliver further reports in the second round of EOIR peer review. Ensuring progress in the availability of and access to beneficial ownership information will also be at the centre of the Global Forum's EOIR and AEOI assessments and technical assistance work.
24. The Global Forum agreed that its next meeting will take place in October or November 2018 in Uruguay.
25. Finally, the Global Forum thanked the Government of Cameroon for its generous hospitality. The full list of participants can be found in the appendix.

²¹ The Yaoundé Declaration <http://www.oecd.org/tax/transparency/yaounde-declaration.pdf>

Appendix: List of Participants at Global Forum Meeting

YAOUNDÉ, CAMEROON 15-17 November 2017

Andorra, Antigua and Barbuda, Argentina, Australia, Austria, The Bahamas, Bahrain, Barbados, Belgium, Benin, Bermuda, Botswana, Brazil, Cambodia, Cameroon, Cayman Islands, China (People's Republic of), Cook Islands, Côte d'Ivoire, Cyprus, Denmark, Dominican Republic, Ecuador, Estonia, Faroe Islands, Finland, France, Georgia, Germany, Haiti, Hong Kong (China), Hungary, India, Indonesia, Ireland, Italy, Jamaica, Japan, Kenya, Korea, Liberia, Liechtenstein, Lithuania, Luxembourg, Macau (China), Malaysia, Maldives, Mauritania, Mauritius, Mexico, Morocco, Netherlands, Norway, Pakistan, Panama, Peru, Poland, Portugal, Saint Kitts and Nevis, Saint Lucia, Samoa, Saudi Arabia, Senegal, Seychelles, Singapore, South Africa, Spain, Sweden, Switzerland, Tanzania, Togo, Trinidad and Tobago, Turkey, Turks and Caicos Islands, Uganda, United Kingdom, United States, Uruguay.

African Tax Administration Forum (ATAF), African Development Bank (AfDB), Asia Developing Bank (ADB), Centre de rencontres et d'études des dirigeants des administrations fiscales (CREDAF), Commonwealth Secretariat, European Bank for Reconstruction and Development (EBRD), European Commission (EC), European Investment Bank (EIB), Inter-American Center of Tax Administrations (CIAT), International Finance Corporation (IFC), Organisation for Economic Co-operation and Development (OECD), United Nations (UN), World Bank Group (WBG).



Annex 2: The Working Bodies of the Global Forum

Steering Group²² Chair: Ms. Maria José Garde, Spain

Barbados (Vice-Chair)	Brazil	British Virgin Islands	China	France
Ghana	India	Isle of Man	Italy (Vice-Chair)	Japan (Vice-Chair)
Kenya	Luxembourg	Netherlands	Saudi Arabia	Spain (Chair)
Switzerland	United Kingdom	United States		

Peer Review Group Chair: Ms. Huey-Min Chia-Tern, Singapore

The Bahamas	Bermuda	Brazil	British Virgin Islands	Cayman Islands (Vice-Chair)
China	France	Georgia	Germany	Guernsey
India (Vice-Chair)	Indonesia	Italy	Japan	Liechtenstein
Malta	Mexico	Norway	Romania	Samoa
Saudi Arabia	Seychelles	Singapore (Chair)	Spain	Switzerland
Turkey	Uganda	United Kingdom (Vice-Chair)	United States (Vice-Chair)	Uruguay

AEOI Group²³ Chair: Mr. David Pitaro, Italy

Andorra	Argentina	Australia	Austria	Azerbaijan
Bahamas	Bahrain	Barbados	Belgium	Bermuda
Brazil	British Virgin Islands	Bulgaria	Canada	Cayman Islands
Chile	China	Colombia (Vice-Chair)	Cook Islands	Costa Rica
Croatia	Cyprus	Czech Republic	Denmark	Estonia
Finland	France	Georgia	Germany	Ghana
Greece	Guernsey	Hungary	Iceland	India (Vice-Chair)
Indonesia	Ireland	Isle of Man	Italy (Chair)	Japan
Jersey (Vice-Chair)	Korea	Kuwait	Latvia	Liechtenstein
Lithuania	Luxembourg	Malaysia	Malta	Mauritius
Mexico	Monaco	Montserrat	Netherlands (Vice-Chair)	New Zealand
Nigeria	Norway	Pakistan	Panama	Philippines
Poland	Portugal	Romania	Russian Federation	San Marino
Saudi Arabia	Seychelles	Singapore	Slovak Republic	Slovenia
South Africa	Spain	St. Kitts and Nevis	Sweden	Switzerland
Turks and Caicos Islands	Uganda	Ukraine	United Kingdom	United States

²² The Chair of the AEOI Group and PRG are also invited to participate in Steering Group meetings.

²³ The European Union participates in a sui generis capacity.



The Global Forum Secretariat comprises a multinational and multilingual team from the following countries:

	Algeria		Dominican Republic		Netherlands
	Australia		Finland		Poland
	Brazil		France		Portugal
	Cameroon		India		Turkey
	Canada		Ireland		Ukraine
	Costa Rica		Japan		United Kingdom
	Czech Republic		Mali		United States

Further reading

EOIR

Exchange of Information on Request: Handbook for Peer Reviews 2016-2020:

<http://www.oecd.org/tax/transparency/global-forum-handbook-2016.pdf>

Compliance ratings for jurisdictions on peer reviews on the EOIR standard:

<http://www.oecd.org/tax/transparency/exchange-of-information-on-request/ratings/>

AEOI

Standard for Automatic Exchange of Financial Account Information in Tax Matters (Second Edition, 2017):

<http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/standard-for-automatic-exchange-of-financial-account-information-in-tax-matters-second-edition-9789264267992-en.htm>

Status of commitments for Automatic Exchange of Information:

<http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>

Automatic Exchange of Information Implementation Report 2017:

<http://www.oecd.org/tax/transparency/reporting-on-the-implementation-of-the-AEOI-standard.pdf>

The Global Forum's Plan of Action for Developing Countries Participation in AEOI:

<http://www.oecd.org/tax/transparency/plan-of-action-AEOI-and-developing-countries.pdf>

The 147 members of the Global Forum are:

Albania • Andorra • Anguilla • Antigua and Barbuda • Argentina • Armenia • Aruba • Australia • Austria • Azerbaijan • The Bahamas • Bahrain • Barbados • Belgium • Belize • Benin • Bermuda • Botswana • Brazil • British Virgin Islands • Brunei Darussalam • Bulgaria • Burkina Faso • Cambodia • Cameroon • Canada • Cayman Islands • Chad • Chile • China (People's Republic of) • Colombia • Cook Islands • Costa Rica • Côte d'Ivoire • Croatia • Curaçao • Cyprus • Czech Republic • Denmark • Djibouti • Dominica • Dominican Republic • Ecuador • Egypt • El Salvador • Estonia • Faroe Islands • Finland • Former Yugoslav Republic of Macedonia (FYROM) • France • Gabon • Georgia • Germany • Ghana • Gibraltar • Greece • Greenland • Grenada • Guatemala • Guernsey • Guyana • Haiti • Hong Kong (China) • Hungary • Iceland • India • Indonesia • Ireland • Isle of Man • Israel • Italy • Jamaica • Japan • Jersey • Kazakhstan • Kenya • Korea • Kuwait • Latvia • Lebanon • Kingdom of Lesotho • Liberia • Liechtenstein • Lithuania • Luxembourg • Macau (China) • Madagascar • Malaysia • Maldives • Malta • Marshall Islands • Mauritania • Mauritius • Mexico • Moldova • Monaco • Montserrat • Morocco • Nauru • Netherlands • New Zealand • Niger • Nigeria • Niue • Norway • Pakistan • Panama • Papua New Guinea • Paraguay • Peru • Philippines • Poland • Portugal • Qatar • Romania • Russian Federation • Rwanda • Saint Kitts and Nevis • Saint Lucia • Saint Vincent and the Grenadines • Samoa • San Marino • Saudi Arabia • Senegal • Seychelles • Singapore • Sint Maarten • Slovak Republic • Slovenia • South Africa • Spain • Sweden • Switzerland • Tanzania • Thailand • Togo • Trinidad and Tobago • Tunisia • Turkey • Turks and Caicos Islands • Uganda • Ukraine • United Arab Emirates • United Kingdom • United States • Uruguay • Vanuatu • The European Union fully participates in Global Forum work

For more information

Global Forum on Transparency and Exchange of Information for Tax Purposes

www.oecd.org/tax/transparency

www.eoi-tax.org

Email: gftaxcooperation@oecd.org