Update on the Work of the Global Forum and Outline of Future Directions

4th IMF-Japan High Level Tax Conference
Tokyo, Japan
April 2013

Dónal Godfrey, Global Forum Secretariat
Global Forum on Transparency and Exchange of Information for Tax Purposes
Global Forum website: www.oecd.org/tax/transparency
Agenda

- Who We Are
- What We Do
- What’s Next
- Are We Going the Right Way?
- The Last Mile
Who We Are Worldwide

http://eoi-tax.org/

This map is for illustrative purposes and is without prejudice to the status of or sovereignty over any territory covered by this map.

April 2013
Who We Are

- 120 members to date (Albania, Azerbaijan, Burkina Faso, Cameroon, Gabon, Lesotho, Romania, Senegal and Uganda are among the latest to join)
- All G20, all OECD, offshore financial centres and expanding membership of developing countries
- All members equal—consensus decision making
- Relevant international organizations are observers (includes Commonwealth, IMF, World Bank, UN, ATAF)
- Self-standing dedicated Secretariat

April 2013
Asia-Pacific Membership

Australia
Brunei
China
Cook Islands
Hong Kong, China
India
Indonesia
Japan
Korea
Macao, China
Malaysia
Marshall Islands
Nauru
New Zealand
Niue
Philippines
Samoa
Singapore
Vanuatu

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April 2013
## Changes in the Steering Group and PRG

### Composition of the Global Forum Steering Group

<table>
<thead>
<tr>
<th>Australia / South Africa (Chair)</th>
<th>Bermuda (Vice-Chair)</th>
<th>China (Vice-Chair)</th>
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<tr>
<td><strong>Germany (Vice-Chair)</strong></td>
<td>Brazil</td>
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<td>Jersey</td>
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<td>South Africa / Indonesia</td>
<td>Spain</td>
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<td>United Arab Emirates</td>
<td>United Kingdom</td>
<td>United States</td>
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### Composition of the Global Forum Peer Review Group

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<tr>
<th>France (Chair)</th>
<th>India (Vice-Chair)</th>
<th>Japan (Vice-Chair)</th>
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<td>Switzerland</td>
<td>The Bahamas</td>
<td>The Netherlands</td>
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*April 2013*
What We Do
What Does the Standard Ensure?

- Availability of bank, ownership, and accounting information

- Power to access from persons within territorial jurisdiction in possession or control of information

- Exchange with all relevant partners for administration and enforcement of your tax laws
Implementing the Standards

- **Global Forum Peer Reviews**
  - Terms of Reference (3 categories/10 essential elements)
  - Peer-driven exercise (2 Phases)
  - **100 reviews already completed, including**
    - 70 Phase 1 reports
    - 26 Combined reports
    - 4 stand-alone Phase 2 reports (Belgium, Cayman Islands, Guernsey and Singapore)
  - **18 supplementary reports approved**
  - Determinations and recommendations with 3-tier rating system (Phase 1) + 4-tier rating mechanisms (Phase 2)
  - Over 600 recommendations made and about 300 recommendations addressed
  - Almost 900 new EOI arrangements up to the standard

April 2013
# Schedule of Phase 1 and 2 Reviews

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<th>2012</th>
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<td>Macao, China</td>
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<td>US Virgin Islands</td>
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<td>Federated States of Micronesia</td>
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- Phase 1
- Phase 2
- Combined reviews

April 2013
Reporting to G20

• Regular reporting to G20

• Recent report analyses:
  ✓ Level of cooperation
  ✓ Level of compliance
  ✓ Main deficiencies: number of recommendations...

April 2013
What’s Next for the Global Forum

"I never think of the future. It comes soon enough."

Albert Einstein
Phase 2 Ratings

• For each of the 10 essential elements
• Ratings:
  ➢ Compliant
  ➢ Largely compliant
  ➢ Partially compliant
  ➢ Non-compliant
• Plus, an overall rating
• Once a representative subset of Phase 2 reviews representing a geographic and economic cross-section of the Global Forum is completed

➢ September 2013
EOI on Request: Is It Effective?

• What do we mean by effective?
• What do the reviews show?
  – Timeliness
  – Quality of requests
  – Volume of requests
  – Domestic focus

ARE WE GOING THE RIGHT WAY, YODA?
EOI Requests Received

*number reflects latest information available on the NTA website

April 2013
Number of EOI Relationships

*Signature to the Protocol/Amended Convention on Mutual Administrative Assistance in Tax Matters was opened on 27 May 2010*
Using the EOI Highway Effectively
EOI Requests Sent/Received by Japan

Source: NTA website
EOI Requests Sent by Australia

- 2009: 226
- 2010: 254
- 2011: 481
- 2012: 750

*number in 2012 is estimated*
EOI Requests Sent by Argentina

- 2009: 10
- 2010: 48
- 2011: 145

April 2013
The Last Mile
EOI Resources

- EOI staff doubled, e.g., South Africa
- New EOI units established, e.g., Jamaica and Luxembourg
- EOI procedures amended in many countries, e.g., the Philippines
- Response time falling in many countries, e.g., Singapore
- Show me the money...
Competent Authority Meeting

- 1st CA meeting—Madrid, May 2012
- CA Database—December 2012
- 2nd CA meeting—Amsterdam, May 2013
EOI Tool Kit

- EOI Model Agreement
- EOI Manual
- EOI Database

April 2013
Supporting Developing Countries

• G20 has requested Global Forum to enhance work with developing countries

• Actions taken include:
  ✔ Schedule reviews late and provide training/assistance to meet standards
  ✔ Ensure all relevant IOs are observers to mobilize TA potential
  ✔ Use Global Forum as platform to coordinate TA
  ✔ Facilitate bilateral and multilateral negotiations

April 2013
TA Coordination Platform

• Matching supply and demand
  ✓ Matching requests for assistance from jurisdictions with:
  ✓ Current and new programmes run by international organisations and development agencies

  complemented by:
  ✓ The Global Forum’s expertise on tax transparency and information exchange

• Global Forum is a bridge between jurisdictions, IOs and development partners

April 2013
Pilot Projects in Africa

- **Ghana and Kenya**: Project focus and drivers
  - Kenya Phase 1 Review: first half, 2013
  - Ghana Phase 2 Review: second half, 2013
- **World Bank Group / IFC**: Advice (esp. availability) in country support and expert facilitation
- **GF Secretariat**: Technical advice and training (esp. exchange- and access-related)
- **UK’s DFID**: Funds GF Secretariat role and traveling expenses connected to onsite visits
- **Pilot Project life**: 2 years, approximately 4 onsite visits (1-2 weeks/visit)
Kenya: A Success Story

- Joined in September 2010
- Steering Group members since October 2011
- Technical assistance pilot project started in November 2011
- Phase 1 peer review starts in February 2013
- Enhance transparency → improve domestic compliance
- EOI → particularly for transfer pricing
- First 9 TIEAs in the pipeline
Thank You

Secretariat to the Global Forum
Email: gftaxcooperation@oecd.org
Ph: +33 (0)1 4524 9726

Visit the EOI Portal at: www.eoi-tax.org