

GLOBAL FORUM ON  
**TRANSPARENCY AND EXCHANGE OF  
INFORMATION FOR TAX PURPOSES**



# Transparency and Exchange of Information for Tax Purposes

Multilateral Co-operation Changing the World

10th ANNIVERSARY REPORT



*"The scale of changes triggered by the Global Forum has been nothing short of revolutionary. By supporting the effective implementation of the exchange of information on request standard, the Global Forum challenged the widespread secrecy of banking, ownership and accounting information and made it available to tax authorities for the purpose of enforcing and administrating taxes.*

*The implementation of the automatic exchange of information has become a real game-changer by providing tax authorities with a strong tool for detecting tax evasion in the cross-border context. Multilateral cooperation, supported by the G20 and OECD and guided by the principle of the level playing field, have delivered a transformation which was unthinkable just a decade ago.*

*Whilst the success is undeniable, the goals of the Global Forum are not yet accomplished. Tax evaders adapt their behaviour and find new ways of escaping tax liability. We have to stay alert and work closely together to ensure that in the battle against tax evasion, tax authorities are able to deliver on public expectations. Tax burden should be fairly and equitably shared by all members of our societies to bring prosperity and development to every corner of the world and to every household."*

**Ms María José Garde**, Chair of the Global Forum (Spain)



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Multilateral Co-operation  
Changing the World

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# 102

**billion euros in  
additional revenue**

*Voluntary disclosure  
programmes and offshore  
tax investigations have  
already helped to identify  
about EUR 102 billion in  
additional revenue (tax,  
interest, penalties) and  
more is to come.*

## 1 | Executive summary

In 2009, the G20 Leaders declared that “the era of banking secrecy is over”. The Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum) was called on to deliver this result. Ten years on, the Global Forum has nearly 160 member jurisdictions and has achieved massive progress in implementing the international tax transparency and exchange of information standards. With the strong backing of the G20 and the Organisation for Economic Co-operation and Development (OECD), the Global Forum has produced the most impactful international project against offshore tax evasion in history.

Key to the achievements of the Global Forum has been the rapid and extensive increase in the international network of exchange agreements, the sharp rise in the volume of information exchanged, both on request and automatically, as well as ensuring the information is available to exchange. The veil of secrecy, which allowed tax evaders to hide their assets offshore, has been lifted, enabling tax authorities to obtain information previously beyond their reach.

These measures have had a very concrete impact. Taxpayers are coming forward to disclose formerly concealed wealth and offshore investigations are becoming more effective. Voluntary disclosure programmes and offshore tax investigations have already helped to identify about EUR 102 billion in additional revenue (tax, interest, penalties) and more is to come. Over 1 million of taxpayers have come forward to voluntarily disclose their assets.

This report further unpacks the key outcomes of the work of the Global Forum over the last 10 years and sets out the next steps.

There is no cross-border exchange of tax information without international agreements in place to underpin it. In 2009, the network of agreements was extremely limited and tax evaders were able to exploit situations where there was no agreement in place between particular jurisdictions. In 2010, the Convention on Mutual Administrative Assistance in Tax Matters (the multilateral Convention) was opened to signature by all, with each new adherent immediately having in place dozens of international relationships allowing for exchange on request, spontaneously and automatically. It offered an attractive alternative to a lengthy process of negotiating bilateral instruments and filled in the gaps in the treaty networks at unprecedented speed. Today, the multilateral Convention ensures an impressive international network, equivalent to nearly 8 000 bilateral agreements. Information relevant for tax purposes can be obtained from about 130 other jurisdictions, including all G20 and OECD countries, practically all international financial centres (IFCs), and an increasing number of developing countries, by joining a single instrument.

With the rapid expansion of the network of exchange of information agreements, the flow of information between jurisdictions has also increased, both on request and automatically. Between 2009 and 2017, the exchange of information was done primarily “on request” and therefore information was exchanged only if the requesting authority had a suspicion of tax evasion or avoidance. Over 250 000 requests for information have been received by Global Forum members in ten years and annual figures are almost universally on the rise. Some requests concern thousands of taxpayers, and the amounts of tax collected are increasing. The **exchange of information on request (EOIR)** alone has enabled the recovery of nearly EUR 7.5 billion of additional tax revenue.

The exchanges rely on information being available to the competent authority. The information requested, which could involve ownership, banking or accounting records, should be available, accurate and accessible to the competent authority. That is what transparency requires and much of the Global Forum’s work has been focused on ensuring this requirement is complied with globally. The facts speak



**250<sup>+</sup>k**  
information requests

Over 250 000 requests for information have been received by Global Forum members in ten years and annual figures are almost universally on the rise.



**<70**

jurisdiction changes

Nearly 70 jurisdictions have made changes to eliminate bank secrecy for tax purposes since 2009.

## Executive Summary

for themselves: as of today, information requested can be obtained in all but about 1% of cases. The work of the Global Forum has therefore ensured that the information that is critical for the administration and enforcement of taxes is now available in three key domains:

- **BANK SECRECY:** practically all Global Forum members have eliminated bank secrecy vis-a-vis tax authorities. To deliver this result, nearly 70 jurisdictions have made changes to their regulatory regimes and practices since 2009. Furthermore, with the commencement of the **automatic exchange of information (AEOI)** on financial accounts of non-residents in 2017 and 2018, the era of bank secrecy is truly over.
- **OWNERSHIP AND BEARER SHARES:** about 90% Global Forum members, which have been subject to the EOIR peer reviews, do not permit the issuance of bearer shares, or have in place arrangements for identifying the owners. To achieve this result, over 40 jurisdictions have either abolished bearer shares, or introduced adequate custodial or non-custodial arrangements for identifying their owners since 2009. Bearer shares represent only one of many aspects where the Global Forum's peer reviews improved the availability of legal ownership information. Furthermore, since 2017, the Global Forum has taken on a new challenge of ensuring the availability and accessibility of beneficial ownership information, as foreseen under both the EOIR and AEOI standards (i.e. it should not be possible for tax evaders to obscure their ownership of assets through the use of opaque entities or structures).
- **ACCOUNTING RECORDS:** a majority of Global Forum members had deficiencies in the availability of accounting records, including 30 jurisdictions having received unsatisfactory assessments between 2010 and 2016. The gaps in the regulatory framework have been addressed by practically all of them, and the focus has now shifted to ensuring that these provisions are effectively enforced and supervised.

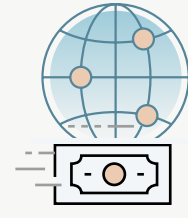
Since 2017, Global Forum members commenced the automatic exchange of a pre-determined set of information on financial accounts, which has strengthened the ability of tax authorities to detect tax evasion. Nearly 100 jurisdictions are already exchanging information automatically. In 2017, information on more than 11 million financial accounts was exchanged, and this figure grew to 47 million financial accounts in 2018. This represents a massive amount of offshore investments with the total value of financial accounts reflected in the information exchanged in 2018 being around EUR 4.9 trillion. With the number of AEOI exchanges on the rise, having increased by 36% between 2018 and 2019, the figures are set to increase even further.



The benefits of increased tax transparency and exchange of information are made available to all Global Forum members. Capacity building is therefore key to the inclusive environment the Global Forum was setting out to deliver. The Global Forum has put in place a comprehensive technical assistance programme, which serves the needs of its more than 80 developing country members, helping them implement the EOIR and AEOI standards and make best use of these tools to tackle tax evasion and illicit financial flows. This work supports the delivery of the Sustainable Development Goals, underlining the strong relationship between tax transparency and development.

Whilst the results achieved are impressive, more needs to be done to ensure that tax scandals of the scale seen in the past are not repeated. Tax evaders remain keen to exploit any new loophole or weakness in the legal and regulatory frameworks across the world. Only through co-ordinated global action, and swift reaction to newly emerging risks, governments around the world can win the battle against tax evasion and avoidance and secure the integrity of their tax systems. ■

*“ Only through co-ordinated global action, and swift reaction to newly emerging risks, governments around the world can win the battle against tax evasion and avoidance and secure the integrity of their tax systems. ”*



80+

developing countries



More than 80 developing country members are benefitting from technical assistance improving their capacity to tackle tax evasion and illicit financial flows.

Germany (3)	37.5	37.0	36.2	26.6	5.2	37.6	2.8	18.5	8.6	0.6
Greece (2)	39.4	36.6	33.4	32.2	6.5	28.5	8.1	21.2	18.4	2.1
Hungary	37.7	38.7	38.5	37.2	6.0	33.2	17.8	23.7	18.6	2.5
Iceland	37.7	36.3	36.3	35.2	4.9	37.2	15.2	16.2	17.1	2.3
Ireland	22.8	23.1	30.8	29.2	11.5	27.2	6.0	26.7	22.1	2.1
Israel (4)	32.7	31.3	34.9	33.2	9.9	35.2	15.2	15.7	15.7	2.1
Italy	42.7	43.1	40.6	39.2	11.5	35.2	15.2	15.7	15.7	2.1
Japan	37.7	30.6	25.8	24.2	11.5	35.2	15.2	15.7	15.7	2.1
Korea	26.9	25.2	21.1	20.2	11.5	35.2	15.2	15.7	15.7	2.1
Latvia	30.4	29.2	28.9	28.2	11.5	35.2	15.2	15.7	15.7	2.1
Lithuania	29.8	28.9	28.2	27.2	11.5	35.2	15.2	15.7	15.7	2.1
Hungary	38.7	37.2	35.2	34.2	11.5	35.2	15.2	15.7	15.7	2.1

A stylized graphic of the number '10' composed of vertical yellow lines of varying heights, creating a sense of depth and movement.

YEARS

## 2 | Celebrating the 10th anniversary of the Global Forum

*“After a decade journeying together, the standard on transparency and exchange of information has proven to be an effective tool to fight against tax fraud. Given the good results it has yielded we should indeed pursue the path of multilateralism.”*

**Ms María Jesús Montero,**  
Minister of Finance of Spain

When business relationships are multinational, capital is mobile and individuals can easily move between jurisdictions, the complexity of tax administration increases. Within their respective jurisdictions, governments may typically request information from, or verify it through, their taxpayers or third parties. In the cross-border context, access to information needs to be facilitated by another government and takes place on the basis of an international agreement. Barriers in accessing such information may impede the effective enforcement of tax laws and create opportunities for tax evasion and avoidance. This ultimately leads to uneven distribution of tax burden and may undermine public trust in the fairness of the tax system.



The international standards on transparency and exchange of information for tax purposes help ensure that governments around the world cooperate in good faith and make information available to their peers to aid tax administration and enforcement. By facilitating global cooperation on the implementation of these standards, the Global Forum assists jurisdictions around the world in fighting tax evasion and avoidance, tackling illicit financial flows and securing the integrity of their tax systems.

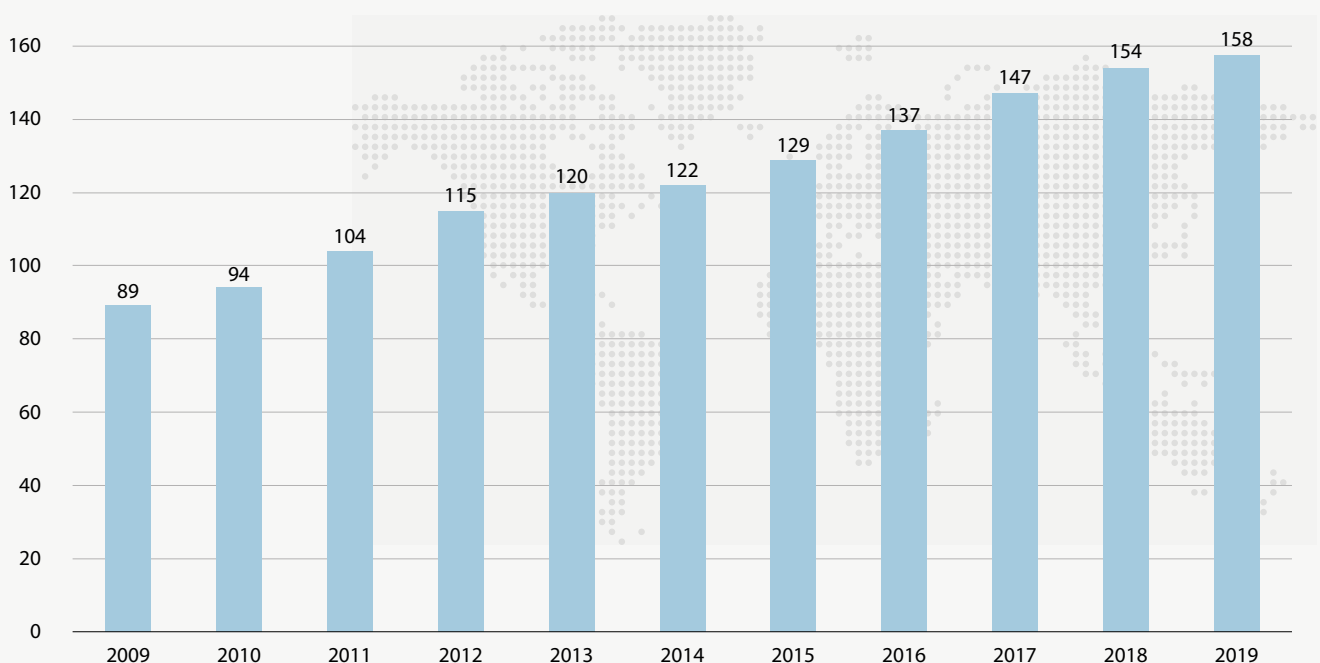
The idea of the Global Forum which would include OECD members and other jurisdictions goes back to 2000. At that time, it comprised OECD member countries and IFCs that made a commitment to implement the international standard on tax transparency and exchange of information on request. In April 2009, following several tax scandals, which exposed the abuse of banking and company secrecy laws, and in the wake of the 2008 financial crisis, which put substantial pressure on state revenues, G20 Leaders declared that “[t]he era of banking secrecy is over” and affirmed their readiness “to deploy sanctions to protect our public finances and financial systems”.<sup>1</sup>

The Global Forum stepped up to ensure that the commitments to implement the international standards on transparency and exchange of information for tax purposes are swiftly and universally put into action. A major restructuring of the Global Forum took place in September 2009, turning a new page in its institutional history. The Global Forum opened its membership to all jurisdictions that share its values. In ten years, the membership has grown from 89 to 158 (see **Figure 1** “Membership of the Global Forum”). Today, all OECD and G20 countries, all IFCs and an increasing number of developing countries have joined. Due to this wide global reach, tax evaders have practically nowhere to hide.



1. G20 Communique: London Summit – Leaders’ Statement from 2 April 2009.

**FIGURE 1. Membership of the Global Forum**



## Celebrating the 10th anniversary of the Global Forum

To ensure the effective implementation of the EOIR standard, in 2010, the Global Forum commenced one of the most rigorous and effective peer review and monitoring processes to date, which has delivered a massive change. The first round of the EOIR peer reviews was carried out in six years (2010-2016) and resulted in 114 jurisdictions being assigned ratings, which reflect their compliance with the EOIR standard. This process helped eliminating hundreds of loopholes in the laws and practices of the reviewed jurisdictions, tackling various forms of secrecy surrounding tax affairs.

In 2015, in response to the call of the G20 Leaders who invited the Global Forum to draw on the work of the Financial Action Task Force (FATF) with respect to beneficial ownership, the Global Forum agreed to enhance its EOIR standard by including a new requirement on the availability of beneficial ownership information. This measure helped to further limit the risk of letterbox companies being misused to conceal financial flows. In the second round of EOIR peer reviews, which commenced in 2017, the assessment is made against this enhanced standard, triggering further changes. So far, 61 jurisdictions have been reviewed in the second round.

The implementation of the EOIR standard, which outlawed the bank secrecy for exchange of information purposes, opened doors for another important development. In 2013, the G20 Leaders officially endorsed the automatic exchange of financial account information as the new global standard and recognised the “clear need for the practical and full implementation of this new tax standard on a global scale”.<sup>2</sup> The Global Forum was called on to monitor and review the implementation of the new global standard on AEOI, including developing a roadmap for developing countries participation in this standard.<sup>3</sup>

Shortly after, in 2014, the Global Forum adopted AEOI as its second standard and initiated a global AEOI commitment process. In total, 100 Global Forum members committed to implementing the new standard on an ambitious timeline of first exchanges in 2017 or 2018. Then, the Global Forum created a monitoring system to ensure the delivery of all the key aspects of the implementation process.

These efforts delivered impressive results. So far, 94 out of these first 100 jurisdictions are exchanging information, making the speed of the global AEOI implementation unprecedented.

The Global Forum is also reviewing the quality of the AEOI implementation through a peer review process in order to secure the level playing field. It has already reviewed all of the domestic and international legal frameworks put in place to implement AEOI, making recommendations where necessary. In 2020, the Global Forum will commence reviews on the effectiveness of the implementation of the AEOI standard in practice to further secure the level playing field.

Therefore, the range of activities of the Global Forum has expanded significantly over ten years. At the core are two streams of work focused on the two globally agreed standards, EOIR and AEOI. All members are subject to a rigorous peer review process. Supporting these has been a consistently growing emphasis on providing members with technical support and assistance.

*“In just ten years’ time, the Global Forum has created powerful momentum to change the way countries think about tax matters and to establish a true level playing field in the area of tax transparency.”*

**Mr Pierre Gramegna**  
Minister of Finance of  
Luxembourg

*“Hong Kong (China) as an international financial centre benefits from the level playing field created by the Global Forum’s promotion of standardisation and transparency for exchange of tax information.”*

**Mr James H. Lau Jr**  
Secretary for Financial Services  
and the Treasury of the  
Government of the Hong Kong  
Special Administrative Region

*“The range of activities of the Global Forum has expanded significantly over ten years. At the core are two streams of work focused on the globally agreed standards, EOIR and AEOI, implemented through peer reviews and technical assistance.”*

2. G20 Leaders’ Declaration (September 2013).

3. Ibid.

## BOX 1. PRINCIPLES WHICH GUIDE THE WORK OF THE GLOBAL FORUM

- 1. Universality of the standards it promotes:** the prospects for successfully tackling tax evasion through international collaboration are much greater where the performance of all relevant jurisdictions is judged against universally agreed standards.
- 2. Inclusivity and equality:** all decisions are taken by the plenary by consensus, reflecting the Global Forum's fundamental ethos that all members are equal and cooperate on an equal footing.<sup>4</sup>
- 3. Support to account for different needs and capacities:** whilst all members are aiming at meeting the same standards, the Global Forum recognises that capacities differ and developing countries may require greater assistance which is offered at all levels.
- 4. Global reach to achieve the level-laying field:** to address 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.

4. Whilst all decisions are taken by consensus, one jurisdiction cannot block the adoption or publication of a peer review report.

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, 19 international organisations participate in its work as observers, including all the major Multilateral Development Banks (MDBs), such as African Development Bank, Asian Development Bank, Inter-American Development Bank, World Bank Group and the Council of Europe Development Bank (see **Box 2** "Observers to the Global Forum"). The Global Forum and the FATF, which 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 technical assistance initiatives, such as that provided by Tax Inspectors Without Borders, to generate synergies in enhancing the capacities of developing countries to raise tax revenues. ■

*"The Global Forum is a true success story. It provides tremendous assistance in our joint efforts to increase tax fairness and to fight tax evasion. People expect us to keep pushing forward with rigor and determination in these areas. They are right. We must ensure that large international corporations and wealthy individuals pay their fair share too!"*

**Mr Olaf Scholz**  
Minister of Finance of Germany

## BOX 2. OBSERVERS TO THE GLOBAL FORUM

African Development Bank • African Tax Administration Forum (ATAF) • African Union Commission (AUC) • Asian Development Bank (ADB) • Caribbean Community (CARICOM) • Centre de Rencontre des Administrations Fiscales (CREDAF) • Commonwealth Secretariat • Council of Europe Development Bank (CEDB) • European Bank for Reconstruction and Development (EBRD) • European Investment Bank (EIB) • Financial Action Task Force (FATF) • Inter-American Center of Tax Administrations (CIAT) • Inter-American Development Bank (IADB) • International Finance Corporation (IFC) • International Monetary Fund (IMF) • Intra-European Organisation of Tax Administrations (IOTA) • United Nations (UN) • World Bank Group (WBG) • World Customs Organisation (WCO)

### 3 | Increasing tax transparency

*“The Global Forum has been an effective collaboration platform for tax authorities around the world and has been an important ally in pushing through key legislation to end the banking secrecy regime for tax purposes in Indonesia.”*

**Ms Sri Mulyani Indrawati,**  
Minister of Finance of  
Indonesia

At the time of the restructuring of the Global Forum in 2009, one of its main missions was to foster tax transparency. A massive amount of work is hidden beneath the surface. Meticulous changes of hundreds of legal provisions and enforcement practices have been triggered through the Global Forum’s EOIR peer review process. The veil of secrecy has been lifted for tax purposes, making the information on legal and beneficial ownership of any type of entity or legal arrangement, accounting and bank records, which is critical for the administration and enforcement of taxes, available to tax authorities for exchange purposes. Hiding behind the layers of entities, and by using foreign bank accounts, becomes considerably more difficult and risky.

## BANK SECRECY

The confidentiality of financial affairs of an individual, legal person or arrangement is protected by bank secrecy. Bank secrecy has a legitimate role to play in protecting the right to privacy of the account holder. Therefore, all jurisdictions have rules which provide the authority, or envisage an obligation for banks, to refuse the disclosure of customer information to third parties. However, bank secrecy also has another side. It may help taxpayers to pursue illegal activities, such as money-laundering or tax evasion. Effective enforcement of tax, anti-money laundering or other laws often requires access to the information related to accounts and financial transactions. Hence, the law must provide exceptions to bank secrecy to accommodate the need of law enforcement agencies, including tax authorities, to access this information.

The EOIR standard specifically requires tax administrations to be able to access banking information for the purpose of exchange of information. This requirement is combined with strict regulation on confidentiality of taxpayer information and stringent requirements concerning the access to this information and purposes for which it can be used. All 158 members of the Global Forum committed to implement the EOIR standard and thus are subject to these requirements.

The elimination of bank secrecy world-wide has not happened overnight. The problem was recognised already in 1985, when the OECD Committee on Fiscal Affairs (CFA) published a report “Taxation and the Abuse of Bank Secrecy” which proposed “increasing where necessary the information available domestically through relaxation of bank secrecy towards tax authorities”. The report suggested “further use through exchange of information procedures of data obtainable from banks”. Whilst this report triggered certain progress, not all OECD member countries agreed to it at that time.

The issue had remained open for many years. The 1998 Report on “Harmful Tax Competition: An Emerging Global Issue” concludes that “in the context of counteracting harmful tax competition, countries should review their laws, regulations and practices which govern access to banking information with a view to removing impediments to the access to such information by tax authorities”. The report recognises the importance of ensuring that transparency and effective exchange of information is respected world-wide.

In the 2000 Report “Improving Access to Bank Secrecy”, the OECD further urged that the era of “banking without borders” brought new challenges for tax administrations by making it easier for many taxpayers to escape tax liability. The decision of one jurisdiction to restrict access to information therefore had adverse impact on others. The 2000 Report therefore concluded that “[i]deally, all Member countries should permit tax authorities to have access to banking information, directly or indirectly, for all tax purposes so that tax authorities can fully discharge their revenue raising responsibilities and engage in effective exchange of information”. Subsequent reports monitored and reported on the progress made, covering OECD member countries and observers, as well as other relevant jurisdictions.<sup>5</sup> However, it was not until 2009 that the last jurisdictions agreed to lift bank secrecy for the purpose of exchange of information.

“The majority of the jurisdictions reviewed by the Global Forum (70 out of 125) had bank secrecy restrictions and 98% of them have now removed them for the purpose of exchanging information.”

5. OECD, Improving Access to Bank Information for Tax Purposes: The 2003 Progress Report; Improving Access to Bank Information for Tax Purposes: The 2007 Progress Report; and also more broadly OECD/Global Forum on Transparency and Exchange of Information (formerly referred to as the Global Forum on Taxation), Tax Co-operation 2006: Towards a Level Playing Field; Tax Co-operation 2007: Towards a Level Playing Field; Tax Co-operation 2008: Towards a Level Playing Field; Tax Co-operation 2009: Towards a Level Playing Field; Tax Co-operation 2010: Towards a Level Playing Field.

## Increasing tax transparency

The Global Forum's EOIR peer review process, which commenced in 2010, has proven to be a very effective instrument for putting these commitments into action. In total, 125 jurisdictions have been reviewed by the Global Forum and practically all of them have removed bank secrecy for the purpose of exchanging information. As of 2009, the majority of these jurisdictions (70 out of 125) had bank secrecy restrictions on the access to and exchange of banking information. Today, only three still have some type of limitations.<sup>6</sup> In ten years, 67 jurisdictions have amended their laws to enable the access to banking information for exchange of information purposes (see **Figure 2** "Elimination of Bank Secrecy for Exchange of Information Purposes").

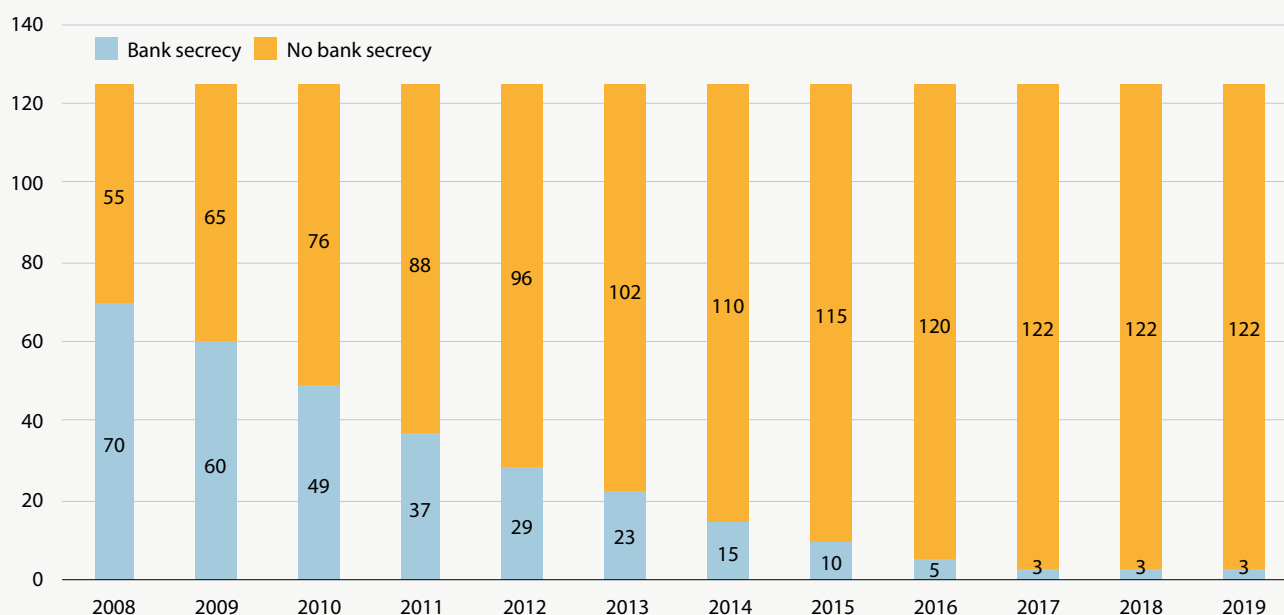
The jurisdictions which have abolished bank secrecy for exchange of information purposes encompass OECD/G20 countries, as well as smaller or developing countries. All of them have contributed to a massive breakthrough which empowers tax administration around the world. For instance, in 2014-2017, Austria received 144 requests related to banking information alone. There was no case where the information was not provided.<sup>7</sup>

However, the access to banking information on request was only a first step. The sea-change happened with the implementation of the AEOI standard which allows participating jurisdictions to access information on the foreign financial accounts of their residents. Following the bilateral approach adopted to implement the Foreign Account Tax Compliance Act (FATCA), passed by the United States Congress in 2010, and in the aftermath of the global financial crisis, political momentum was created to put in place a new global standard on automatic exchange of financial account information in a multilateral context. With 100 jurisdictions having committed to exchange information by 2018, the landscape

*“The access to banking information on request was only a first step. The sea-change happened with the implementation of the AEOI standard.”*

6. Guatemala, Kazakhstan, Trinidad and Tobago.
7. Global Forum, Austria: Peer Review on the Exchange of Information on Request (2018, Second Round).

**FIGURE 2. Elimination of bank secrecy for exchange of information purposes**



Note: The figure is based on the information provided by Global Forum members in the course of EOIR peer reviews.

of global tax transparency has changed dramatically, putting an end to the long-lasting era of banking secrecy for tax purposes.

With this massive progress, the attention of the Global Forum has now moved towards ensuring that banks are able to identify accurately the beneficial owners of the financial accounts and their tax residence. The second round of the EOIR peer reviews, and the AEOI peer reviews seek to further enhance the accuracy of information exchanged. In parallel, the Global Forum works closely with over 30 jurisdictions (mostly developing countries) that have not yet been subject to the EOIR peer review process and therefore may still have restrictions on the access to banking information. These jurisdictions are provided with technical assistance on how best to address the problem before their upcoming assessment. Furthermore, more than 20 developing country members are assisted in their ambition to implement the AEOI in the near future.

*“The attention of the Global Forum has now moved towards ensuring that banks are able to identify accurately the beneficial owners of the financial accounts and their tax residence.”*

## OWNERSHIP AND IDENTITY INFORMATION

Ensuring the availability of ownership and identity information is one of the central elements of the Global Forum’s EOIR peer review process. Due to a wide range of issues which may be faced by governments in maintaining accurate ownership and identity information domestically, only a small number of Global Forum members have not received any recommendation in this area. The quality of the regulatory framework on legal ownership and identity information has improved significantly in ten years. Whilst during the first round of the EOIR peer reviews (2010-2016), fundamental deficiencies in the legal framework were identified in over 20% of the reviewed jurisdictions, in the second round only about 3% did not have the required regulation in place.

One of the key successes concerns bearer shares. Bearer shares are negotiable instruments that grant ownership in an entity and shareholder status to the persons who hold or “bear” the share certificates. Transfer of bearer shares requires only the delivery of the certificate to the new owner. Ownership is therefore based on the physical possession of the share certificate. This is distinct from a “registered” share, which requires that legal ownership be based not on physical possession of the instrument but on entry in a ledger or other record of ownership. Given that the ownership of bearer shares can be easily transferred with no tracking, bearer shares represent an asset which carries high risks for tax and law enforcement. For instance, bearer share can be used to hide someone’s wealth or proceeds of crime.

The EOIR standard does not contain an outright prohibition of bearer shares. Instead, it requires that any jurisdiction that permits the issuance of bearer shares put in place appropriate mechanisms that allow for the identification of owners of such shares. For example, this could be a custodial arrangement with a recognised custodian. Similarly, Recommendation 24 of the FATF requires that countries whose companies can issue bearer shares (or bearer share warrants) take effective measures to ensure that they are not misused. This may include (a) prohibition, (b) conversion to registered shares (e.g. dematerialisation); (c) immobilisation, or (d) recording by the company of shareholders with a controlling interest.<sup>8</sup>

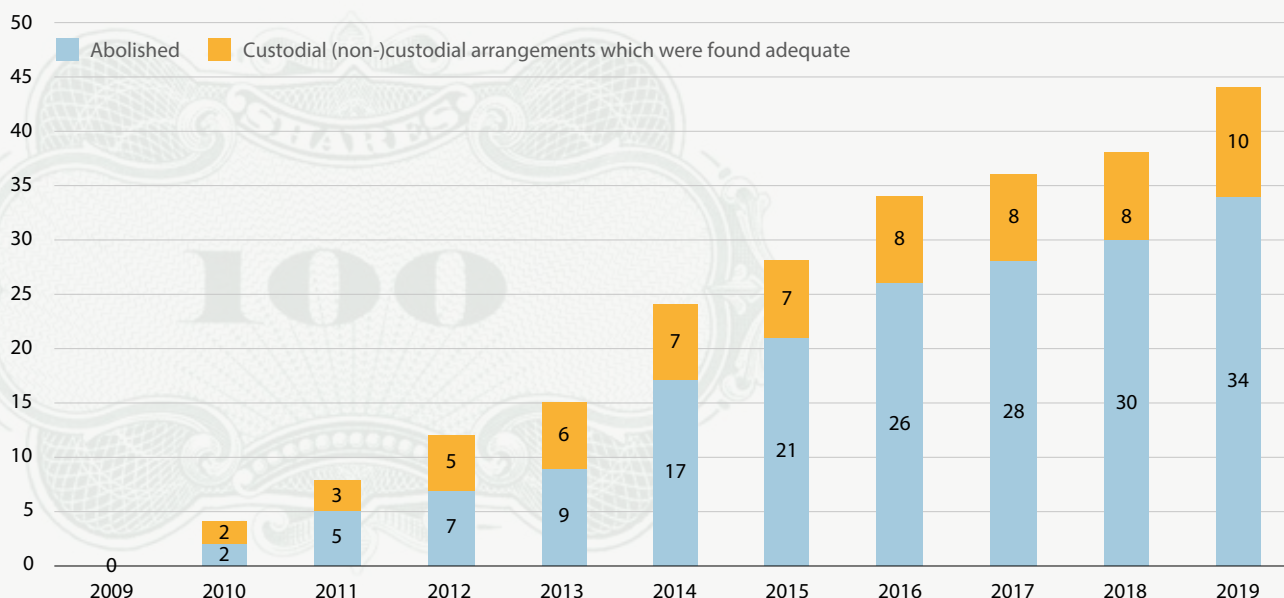
*“In a challenging era for the international economy, the Global Forum has managed to redefine the terms of the game contributing to the sustainability and social cohesion.”*

**Mr Harris Georgiades**  
Minister of Finance of Cyprus

8. The Interpretative Note for Recommendation 24.

## Increasing tax transparency

FIGURE 3. Jurisdictions which abolished bearer shares or introduced adequate custodial or non-custodial arrangements



Note: The figure is based on the information provided by Global Forum members in the course of EOIR peer reviews and follow-up reporting.

Since 2009, over 30 jurisdictions that allowed bearer shares in the past have abolished them (see **Figure 3** “Jurisdictions which Abolished Bearer Shares or Introduced Adequate Custodial or Non-Custodial Arrangements”). This has been the most widely-used option amongst the jurisdictions reviewed. The abolition of bearer shares is a two-step process. First, it involves an introduction of a prohibition that no new bearer shares can be issued. Second, the existing bearer shares need to be converted to registered shares. In some cases, where bearer shares have been prohibited, legacy issues concerning shares issued before their prohibition resulted in recommendations. In some instances, this was the length of transition period for conversion of those shares that caused concerns of peers and resulted in recommendations.

A smaller number of jurisdictions have chosen to introduce custodian arrangements, which allow identifying the owner of each share, thus negating the secrecy feature of bearer shares. A custodial arrangement is one whereby the bearer share must at all times be held in custody by a third party. This could be a

“ The access to banking information on request was only a first step. The sea-change happened with the implementation of the AEOI standard. ”

### BOX 3. BELGIUM

Belgium prohibited bearer shares in 2008. Unlisted companies were required to convert bearer shares issued between the publication of the law and 1 January 2008 by 31 December 2012, and securities issued prior to the publication of the law by 31 December 2013 at the latest. The Global Forum considered that this period was too long. Belgium acted on the recommendation by introducing measures to accelerate the conversion of bearer shares through a tax that applied when the holder of bearer shares asks for their conversion (the rate of which increases with the delay in conversion, from 1% of the value of shares for conversions made in 2012, to 2% of the value of the shares for conversions made in 2013) resulting in 150 million bearer shares having been converted by August 2012.







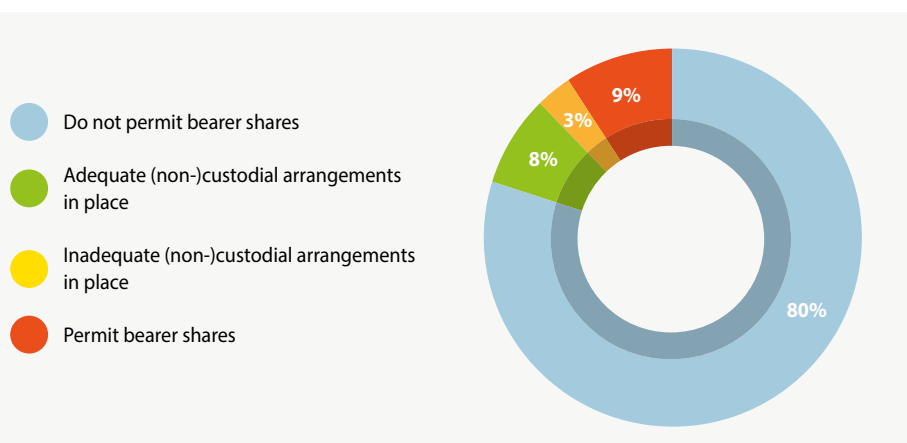
7th Meeting of the Global Forum in Berlin, Germany – October 2014.

financial institution or company service provider. The custodian is responsible for maintaining information on the owner of the share. Ownership of the share can therefore only be transferred by notification to the custodian. If a deficiency has been identified, such custodian arrangements have been categorised by the Global Forum as inadequate, with recommendations being made to address the gap.

Even fewer jurisdictions have chosen to put in place non-custodial arrangements which impose on the bearer share holder an obligation to report their ownership to the company or to a government agency. Because the shares are not immobilised under reporting arrangements, the Global Forum’s EOIR peer review process looked specifically to ensure that enforcement and penalties are stringent enough to ensure compliance. Again, if this was not the case, a recommendation was issued.

Overall, out of the 125 Global Forum members which have been subject to the EOIR peer review so far, about 90% jurisdictions do not or no longer permit the issuance of bearer shares, or have adequate custodial or non-custodial arrangement for identification of the owners in place – see **Figure 4** “Bearer Shares – Global Outlook”. Out of the remaining, 9% need to put an identification mechanism in place and 3% need to improve the identification mechanisms. Most of these jurisdictions have already reported to be in the process of addressing the problem.

**FIGURE 4. Bearer shares – global outlook**



Note: The figure is based on the information provided by Global Forum members in the course of EOIR peer reviews and follow-up reporting.



**90%**

**of jurisdictions do not permit bearer shares or can identify their owners**

.....

About 90% of jurisdictions already do not permit the issuance of bearer shares, or have adequate (non-)custodial arrangements for identifying their owners. Since 2009, over 40 jurisdictions have made changes in their rules to achieve this outcome and the majority of outliers are in the process of addressing the problem.

## Increasing tax transparency

Due to the significant progress made during the first round of the EOIR peer reviews, the gaps identified in Round 2 are significantly smaller. About 10 out of 61 jurisdictions reviewed so far have received recommendations concerning bearer shares and most of them concern some legacy issues, or the fact that the legislative regime regulating an identification mechanism, or the enforcement mechanism, is new and its application needs to be monitored.

In addition to purposeful measures seeking to abolish or constrain possible abuse of bearer shares, as a practical matter, bearer shares have also to a large extent been frozen out of the financial sector, even if they are still permitted by the laws of a particular jurisdiction. Financial institutions applying customer due diligence standards are generally not willing to conduct business with a company that has bearer shares at large and companies that are not required by law to have bearer shares immobilised will typically have to place the share in the trust of an agent of the bank, as a condition of being accepted as a customer.

A different but related matter to that of bearer shares, which also provides an opportunity to conceal the owner, concerns nominees. In Round 1 of the EOIR peer reviews, more than 20 jurisdictions were found to have problems with the availability of information from nominees in respect of the persons for whom they act as legal owners. In Round 2, practically all of those already reviewed have addressed them.

In addition to addressing such specific features as bearer shares or nominees, the Global Forum has also improved the availability of legal ownership information more generally. For instance, in Round 1 of the EOIR peer reviews, more than 50 jurisdictions received recommendations concerning the availability of legal ownership information with respect to all or specific type of entities, in particular trusts. The Round 2 peer reviews demonstrate that in most instances jurisdictions have addressed these recommendations and improved the availability of legal ownership information. The number of recommendations in this area has dropped significantly: only a handful of jurisdictions have received new recommendations on legal ownership in recent years.

Practice is also subject to careful examination. During the assessment of supervisory and enforcement measures, attention is paid to ensuring that governments maintain accurate information in their company registers.

*“The work of the Global Forum has been crucial in ensuring a level playing field where tax authorities worldwide can trust that all relevant information is available, accessible and exchanged to satisfy the growing need for timely cross-border information in tax matters.”*

**Mr Mika Lintilä**  
Minister of Finance of Finland

### BOX 4. LEBANON

Joint stock companies and partnerships in Lebanon were allowed to issue bearer shares and therefore the Global Forum recommended Lebanon to address this issue. Lebanon abolished bearer shares with full effect from November 2016. It also compelled the conversion of existing bearer shares and “to order shares” into registered form. Bearer shares that were not converted are mandatorily transferred to the Lebanese Republic. From this exercise, 110 companies have been found to have issued bearer shares and 91 to have complied. Measures were taken and sanctions were applied to 19 companies that did not comply with the new requirements, as a result of which EUR 816 310 of fines have been imposed by the tax office.



## BOX 5. COSTA RICA

In 2015, Costa Rica was rated as “Partially Compliant” overall and “Non-Compliant” on the element related to the availability of ownership information. The Global Forum concluded that the Costa Rican authorities had no regular oversight programme in place to ensure that the share register is properly maintained by all companies, in particular inactive companies, which gave rise to concerns on the availability of ownership information with regard to these entities. Subsequently, Costa Rica introduced an annual tax obligation for all legal entities that imposes reporting and registration obligations to deal with the historical problem of a substantial number of inactive companies. Following the requirements of the law, the Public Registry gave public notice of its intent to dissolve the listed inactive companies that did not comply with the new rules and it began removing entities from the register. During the review period (2015-2018), 264 109 entities (approximately 40% of entities in the register) have been struck off from the Public Registry.



An important aspect concerns the status of inactive companies. In some jurisdictions, as much as half of the company register is comprised of inactive companies which do not observe their reporting obligations and this in turn may affect the availability of up-to-date ownership information. Where such problems are identified, a recommendation is made to strengthen oversight measures.

With the major progress achieved with respect to legal ownership, the focus has now shifted towards ensuring the availability of beneficial ownership information, i.e. the natural person behind a legal entity or arrangement. This requirement is at the heart of both the EOIR standard and the AEOI standard. The incorporation into the Global Forum’s standard of the requirement to ensure the availability of beneficial ownership information for all legal entities and arrangements has important synergies with the work of the FATF, which makes recommendations on measures geared to anti-money laundering and combatting the financing of terrorism. The FATF definition has been adopted in both the EOIR and AEOI standards.

Beneficial Ownership seminar in Manila, the Philippines – 2018.





The EOIR standard requires jurisdictions to have beneficial ownership information available and accessible for legal persons, legal arrangements and bank accounts. It is not enough for Global Forum members to have a compliant legal framework; the laws must be effectively implemented and enforced in practice. Furthermore, while the relevant legal frameworks have already been reviewed, as part of the upcoming reviews of the effectiveness of the implementation of the AEOI standard in practice, jurisdictions should demonstrate that reporting financial institutions correctly identify and report their offshore account holders, and where relevant their beneficial owners, by conducting the due diligence and reporting procedures contained in the standard.

The implementation of the EOIR standard on beneficial ownership commenced in 2017 with a little over a third (61 jurisdictions) of Global Forum's membership being reviewed to date. One third of the total recommendations (164 out of 418) issued to these jurisdictions pertain to beneficial ownership, indicating that more needs to be done to fully implement the beneficial ownership requirement in many cases. A closer look at the recommendations shows that most of them relate to flaws in the legal framework, closely followed by deficiencies in supervision to ensure the availability of beneficial ownership in practice. Many recommendations have already been addressed or are in the process of being addressed, and therefore more progress on this issue is expected in the near future. The follow-up process of the Global Forum ensures that changes are monitored on a continuous basis.

Beneficial Ownership seminar in Kampala, Uganda – 2016.

*It is not enough for Global Forum members to have a compliant legal framework; the laws must be effectively implemented and enforced in practice.*

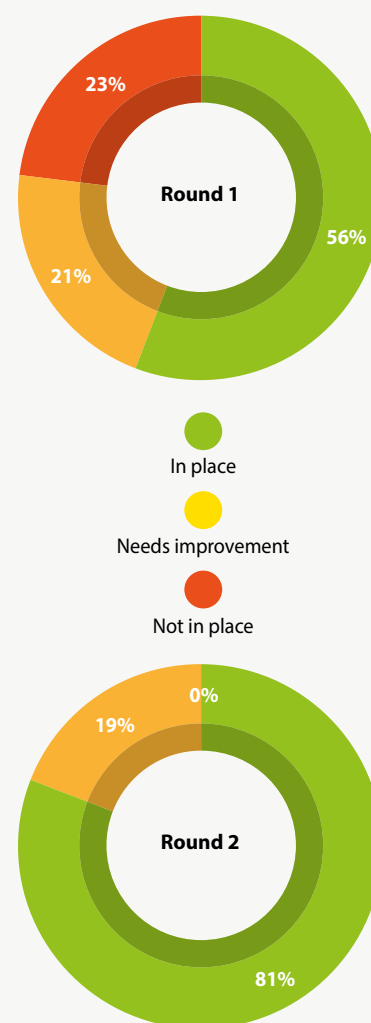
## ACCOUNTING RECORDS

Accounting records represent an important piece of information for determining tax liability. Deficiencies related to the availability of accounting records have attracted a large number of recommendations. Only about 40 jurisdictions out of 125 reviewed so far have never received any recommendation with respect to accounting records. Over 20% of jurisdictions reviewed in Round 1 of the EOIR peer reviews had sizeable gaps in their regulatory framework. In Round 2, the situation has improved dramatically (see Figure 5 “Availability of Accounting Records: Round 1 vs Round 2”). All 61 reviewed so far have the necessary regulatory framework in place, even if some improvements may still be necessary.

Overall, in Round 1 of the EOIR peer reviews, over 200 recommendations have been issued to address the accounting-related gaps in the regulatory framework, with most of them concerning the availability of accounting records, underlying documentation and the requirement to retain the relevant records for at least five years. In most cases, the problem of availability of accounting records was limited to specific entities, whereas some jurisdictions did not subject any or most of their entities to keep accounting records. In Round 2, only about two dozen recommendations have been made concerning record-keeping rules. All jurisdictions have now enacted legislation with regard to keeping accounting records and only a handful of them still have pending recommendations on keeping accounting information with regard to specific entities.

Since 2017, most recommendations concern the implementation of the legislation in practice, in particular enforcement and supervision mechanisms (40 recommendations). The main problem with supervision is the inadequacy or non-existence of a supervision mechanism, followed by the insufficient time to check the practical implementation of the legislative regime, and the lack of supervision of specific entities. In Round 2, also a number of recommendations have been issued to ensure that accounting records are kept for a 5-year period after the company has ceased to exist. ■

FIGURE 5.  
Availability of accounting records: Round 1 vs Round 2



Note: The figure is based on the information contained the EOIR peer review reports.

## BOX 6. MONACO

Monaco had not in place the legislative regime requiring from entities and legal arrangements, such as trusts, foundations and non-trading partnerships to keep accounting records, including underlying documentation and retain them for at least five years. Following a recommendation made by the Global Forum, Monaco enacted a law in 2011 which demanded entities to keep accounting records, including underlying documentation and to retain it for five years. Subsequently, in 2013, Monaco was rated as “Largely Compliant” as the legislative regime was new and more time was needed to be able to reach some conclusions on its effectiveness in practice. In 2018, the framework had been tested in practice and the recommendation with regard to enforcement was removed. Currently, Monaco is rated as “Compliant” with the accounting requirements.



# 4 | Enhancing exchange of information

## EXPANDING THE NETWORK OF EOI AGREEMENTS

*“The Global Forum has provided Malta with the opportunity to assist and in turn be assisted in the fight against tax evasion through a global and communicative process.”*

**Mr Edward Scicluna,**  
Minister for Finance of Malta

International agreements provide the appropriate legal framework under which the exchange of information takes place. The number of agreements world-wide has visibly increased since 1998, with the most rapid surge of the exchange of information relationships observed in the past ten years. This increase has been facilitated by the possibility of establishing an exchange of information relationship on the basis of a multilateral agreement, which significantly reduced time and other resources typically associated with bilateral treaty negotiations.

For a long time, bilateral agreements provided the primary source of EOIR relationships. Initially, these were double tax treaties incorporating an article dedicated to administrative cooperation. Following the release of the 2002 Model Tax Information Exchange Agreements (TIEAs), these special-purpose agreements grew in popularity. The number of TIEAs increased particularly rapidly between the April 2009 G20 summit and the end of 2009, when more than 300 TIEAs were signed by the jurisdictions aiming to escape the list of non-cooperative jurisdictions.

The amendment of the Convention on Mutual Administrative Assistance in Tax Matters (the multilateral Convention or MAC) has brought a notable change and the signature of TIEAs has now been firmly overtaken by this multilateral instrument. Developed in 1988 and amended in 2010, the multilateral Convention is the most advanced and comprehensive multilateral instrument available for all forms of tax co-operation to tackle tax evasion and avoidance. At the time of its amendment in 2010, the Convention had 32 OECD and/or Council of Europe signatory jurisdictions. In ten years, the MAC's network expanded tremendously.

As of 21 November 2019, the multilateral Convention counts 130 participants of which 120 have put it into force already.<sup>9</sup> This is equivalent to nearly 8 000 bilateral agreements and this network keeps growing. The participating jurisdictions include all G20 and OECD countries, all major IFCs and a growing number of developing countries. Relationships with the jurisdictions that have not joined the multilateral Convention continue to be based on double tax treaties and TIEAs. In some instance, jurisdictions also use regional multilateral instruments, such as the one in place between EU Member States.

Whilst being large, the exchange of information network is not yet complete and can be expected to grow further in the near future. Out of 28 members of the Global Forum that have not signed the multilateral Convention, all but two are developing countries.<sup>10</sup> Many of them have 15 or less exchange partners. Most of these developing countries are located in Africa (16), followed by a smaller group in Asia (5), Latin America and Caribbean (3), Middle East (1) and Europe (1).<sup>11</sup> In most instances, these are new members of the Global Forum. As such, they have an ongoing induction programme in place, which helps them to align their laws and practices with the international standards. As part of the induction programme, these members are provided with technical assistance, including support in joining the multilateral Convention. Adhering to the MAC provides for immediate access to a comprehensive network of exchange of information agreements, saving time and resources, which are relevant concerns, especially for developing countries that usually experience a lack of expertise and funds.

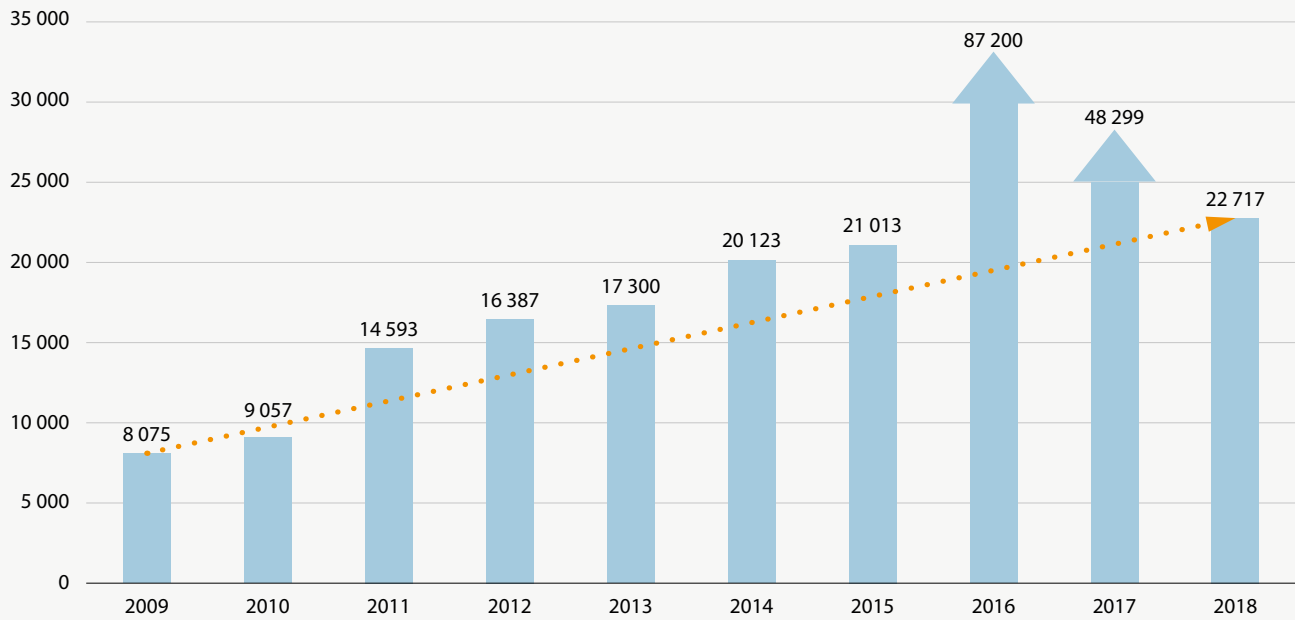
*“The multilateral Convention counts 130 participants. This is equivalent to nearly 8 000 bilateral agreements and this network keeps growing.”*

9. A hundred and twenty have deposited but for three of them the MAC will enter into force in December 2019 and for one in January 2020.

10. Oman, Trinidad and Tobago.

11. Africa: Benin, Botswana, Cabo Verde, Chad, Côte d'Ivoire, Djibouti, Egypt, Eswatini, Guinea, Lesotho, Madagascar, Namibia, Niger, Rwanda, Tanzania and Togo; Asia: Cambodia, Maldives, Mongolia, Papua New Guinea and Thailand; Latin America and Caribbean: Guyana, Haiti and Honduras; Middle East: Jordan; Europe: Bosnia and Herzegovina.

FIGURE 6. Number of requests received



Note: The graph is built on the basis of the figures reported by Global Forum members through the 2019 Global Forum Survey (about 50% of all members have responded). The sharp increase of requests in 2016 and 2017 comes from bulk requests.

### FACILITATING A BETTER FLOW OF INFORMATION

With the expanded network of exchange of information agreements, the flow of information between jurisdictions has intensified. The number of requests for information has more than doubled between 2009 and 2018. In ten years, over 250 000 requests have been received by the Global Forum members (see **Figure 6** “Number of Requests Received”).<sup>12</sup>

The range of increase differs between jurisdictions. Whilst some jurisdictions receive many more requests, others may experience a more modest increase. The most steep increases can be observed in those jurisdictions which previously had no or fairly limited exchange of information relationships.

The general trend is positive with only a few jurisdictions receiving fewer requests in Round 2 than they did in Round 1. For instance, San Marino received 3 requests in Round 1 of the EOIR peer review and 363 in Round 2, Hong Kong (China) moved from 61 requests to 636, Jersey from 36 to 262, Andorra from 29 to 198, United Arab Emirates from 323 to 1 419, Singapore from 323 to 1 419, Belgium from 646 to 1 850, Luxembourg from 832 to 2 309, Austria from 829 to 1 534, Italy from 1 014 to 1 560, and the United Kingdom from 3 600 to 5 206.<sup>13</sup>

With the number of received requests on rise, many jurisdictions have also experienced significant increase in the number of requests they are making. For instance, Germany which made 545 requests in 2009, has sent 11 100 requests over 2010-2018. Argentina made only 13 requests in 2009, whilst in the subsequent nine years it made more than 3200 requests in total.

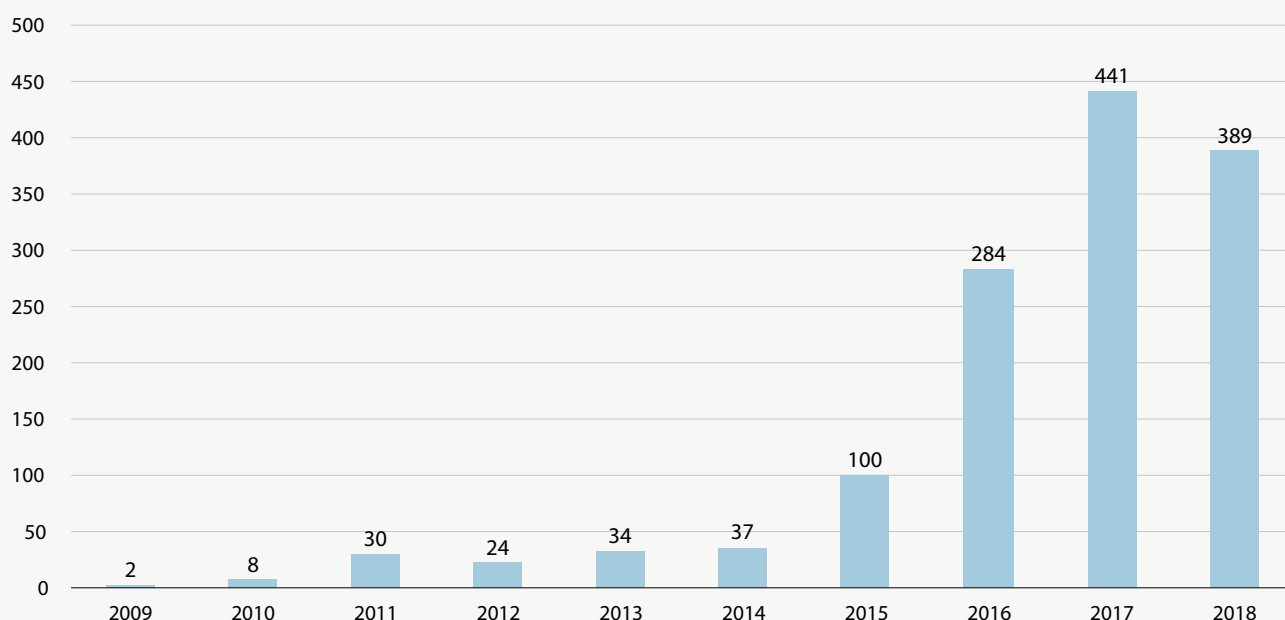
“ Argentina made only 13 requests in 2009, whilst in the subsequent nine years it produced more than 3 200 requests in total. ”

12. This figure is based on the figures reported by the Global Forum members through the annual Global Forum’s surveys in 2017-2019.

13. These examples are based on the figures provided in public EOIR peer review reports. Only those jurisdictions which have already been subject to Round 1 and Round 2 reviews are therefore included. Each report covers a three-year period.



FIGURE 7. Number of group requests received



Note: The graph is built based on the figures reported by the Global Forum members in the 2019 Global Forum Survey (about 50% of all members have responded). A number of members have not yet provided their figures for 2018, which explains a slight drop towards the end of the period.

In addition to individual requests, another fast-growing category includes group requests.<sup>15</sup> Whilst in 2009 only a couple of group requests were received, the recent figures are much higher (see **Figure 7** “Number of Requests Received”). One of the reported group requests concerned as many as 40 000 taxpayers. As group requests are becoming more and more popular and familiar to tax administrations around the world, the use of this effective tool is also expected to increase.

While the quantity of exchanges is reaching an all-time high, the quality of the exchanges should not be left without attention. The EOIR peer review process evaluates the ability of the assessed jurisdiction to request and provide information under its network of agreements in an effective manner. In this respect, the EOIR standard specifically requires that jurisdictions respond to requests in a timely and effective manner.

Over ten years, a large number of Global Forum members were able to improve their response time in spite of increasing flows of information. The greatest improvement between the two rounds of EOIR reviews is seen in the most troublesome category: those requests that take over one year to be processed. In Round 2 of EOIR peer reviews over 70% of requests are answered within 180 days, of which about 50% are addressed in 90 days and additional 20% in 180 days. Approximately 90% of requests are answered within 1 year and only about 10% takes over 1 year. These figures vary from jurisdiction to jurisdiction. The best performing jurisdictions, rated as “Compliant” on this element of the assessment, on average answer up to 90% of requests in 90 days, whereas this figure drops to less than 30% of requests answered in 90 days for those rated as “Partially Compliant”.

“Cyprus<sup>14</sup> received 241 requests in 2009, followed by 5 487 requests in the period between 2010 and 2018.”

14. 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.

15. A group request is one whereby the requesting state requests information on taxpayers not individually identified but which have certain characteristics in common, for example, an account with a particular bank or bank branch.

## Enhancing exchange of information

The improvement in the timeliness of responses is integral to wider improvements, which have taken place in the communication with partners and in the organisation of exchange of information locally. Most jurisdictions have established dedicated units and introduced special procedures for ensuring effective EOIR, based on the recommendations, which were heavily concentrated at the initial stages of the EOIR peer review process.

The failure to provide information requested is rare.<sup>16</sup> In Round 2 peer reviews, approximately 92% of requests have been answered, about 4% still pending at the date of review, and less than 1% were withdrawn by the requesting jurisdiction. The remaining 3% were actually unanswered with the reasons almost equally split between those requests that were declined for valid reasons (2%) and where the jurisdiction failed to obtain and provide information requested (1%). Therefore, information requested can be obtained in all but about 1% of cases, which speaks to the high effectiveness of international cooperation.

### MOVING TO AUTOMATIC EXCHANGES

Between 2009 and 2017, exchange of information was done primarily “on request”, i.e. information is exchanged only if the requesting authority has a suspicion of tax evasion or avoidance. The EOIR standard thus provides a useful tool to be applied when initial indication of non-compliance is available. Automatic exchange of financial account information creates a new channel through which tax authorities can be alerted about potential abuses. The chance of detection, if tax evaders try to hide money offshore, has therefore increased enormously. A taxpayer weighing the costs and benefits of hiding money abroad can no longer discard the costs of tax evasion with a low probability of detection because the residence country tax administration has automatic access to taxpayers’ foreign financial account information.

One could not overstate the significance of the move to AEOI. Of the trillions of dollars in private wealth that is held offshore, almost all of it is held in jurisdictions that have agreed to exchange financial account information automatically. In 2017, tax authorities started receiving large volumes of new data. Information on more than 11 million financial accounts was exchanged. This figure grew to 47 million financial accounts in 2018. The amounts concerned are massive: the total value of financial accounts concerned in 2018 was around EUR 4.9 trillion. With the number of exchanges having increased from around 4 500 in 2018 to around 6 100 in 2019

*A taxpayer weighing the costs and benefits of hiding money abroad can no longer discard the costs of tax evasion with a low probability of detection.*

16. Note that the average statistics provided in this paragraph cover a variety of situations among members and ratings vary from “Non-Compliant” when severe organisational deficiencies have been found, “Partially Compliant”, when only partial information is exchanged or exchange takes much longer than required without sufficient justification, to “Compliant” when the exchange is organised smoothly and information exchanged timely.

### BOX 7. SWITZERLAND

Switzerland has around 7 500 reporting financial institutions (banks, trusts, insurers, etc.). In 2019, Switzerland has exchanged information on financial accounts with 75 jurisdictions. It sent information on around 3.1 million financial accounts to the partner states and received information on around 2.4 million financial accounts from them. With 63 jurisdictions, the exchange of information was reciprocal. In the case of other 12, Switzerland received information but did not provide any, either because those countries do not yet meet the international requirements on confidentiality and data security, or because they chose not to receive data. Next year, Switzerland’s network of AEOI partner states will expand further, to around 90 countries.





(a rise of 36%), and the second-year exchanges covering a wider scope of accounts, these figures are set to increase substantially.

Workshop on the implementation of the AEOI Common Reporting standard in Brunei Darussalam – October 2017.

This progress is even more striking if compared to the world as it was just a decade or two ago. There were approximately 50 jurisdictions which would not exchange information, including that related to bank accounts, or exchange it with a very limited number of partners in the late 1990s. Even within the OECD, in 1997, only 19 OECD member countries required automatic reporting by banks and, as a general rule, such information was limited to interests paid and the amount of tax withheld on these interests, and some OECD members were not making banking information available to their peers.

#### **SAFEGUARDING THE CONFIDENTIALITY AND APPROPRIATE USE OF EXCHANGED DATA**

Taxpayers across the world greatly value the systemic fairness that transparency and exchange of information for tax purposes deliver. At the same time, they expect governments to treat their personal information exchanged on request and automatically in the pursuit of tax fairness with the highest standards of care. The automatic exchange standards, building on the on-request standard, require countries to have in place a legal framework that ensures the confidentiality and appropriate use of exchanged information. Tax authorities handling the information exchanged under the Common Reporting Standard (CRS) and other exchanged data are also required to have information security arrangements that adhere to internationally recognised standards or best practices.

The Global Forum takes the confidentiality and proper use of information very seriously and has put in place multilateral assessment processes that provide assurance that members continuously apply the standards. This includes a pre-exchange assessment of each jurisdiction to obtain assurance that all tax authorities intending to participate in AEOI have information security arrangements aligned with international standards before they can receive information. It also includes postexchange assessments, which are now commencing, that assess the security of AEOI data after they have been received. Some jurisdictions have been required to make certain improvements with a view to fully meeting international standards in this area before a satisfactory assessment has been concluded and information can be received. Assistance is provided to jurisdictions, where necessary, to address any gaps identified. Nevertheless, the possibility of data being compromised within organisations can never be entirely eliminated. The Global Forum's processes therefore also include a mechanism to assess and respond to data breaches. ■

*The Global Forum takes the confidentiality and proper use of information very seriously and has put in place multilateral assessment processes.*



# 54%

**of GF members are developing countries**

*A majority of Global Forum members (85 out of 158) are developing countries. Almost of all them have received some form of technical assistance over the past ten years*

## 5 | Empowering developing countries

Technical assistance and outreach have been integral to the Global Forum's success in ensuring the effective implementation of the tax transparency standards at a truly global level. When the Global Forum restructured, at its September 2009 Plenary meeting in Mexico, members agreed to explore how developing countries could benefit from its work. Capacity building was key to the inclusive environment the Global Forum was setting out to deliver. At its 2010 Leaders' Summit in Seoul, the G20 asked the Global Forum to enhance its work to counter tax evasion in developing countries and help deliver the Sustainable Development Goals, underlining the strong relationship between tax transparency and development. Over the ten years that followed, the Global Forum's technical assistance programme grew organically as it kept pace with members' expanding needs, new forms of tax cooperation, and the growing interest in transparency and exchange of information from donor governments, development agencies and regional organisations.

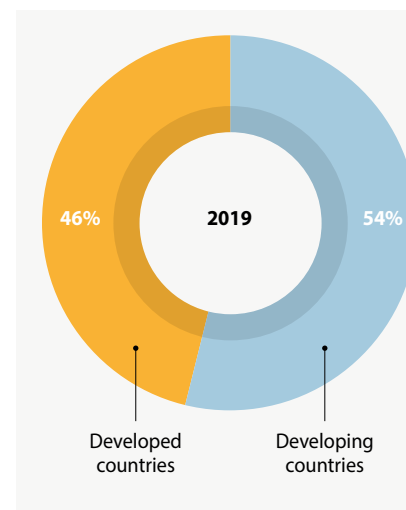


Today, a majority of Global Forum members (85 out of 158) are developing countries (see **Figure 8** “Membership of the Global Forum”). Almost of all them have received some form of technical assistance over the past ten years. In 2019 alone, over 50 developing country members benefitted from technical assistance. The Global Forum reaches 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 develop skills of particular individuals but also enhancing the capacity of an entire organisation or institution. Institutional changes are time- and resource-consuming. Trust-based, long-term relationships with developing country officials and experience-based knowledge have been the key ingredients to drive change through technical assistance. Today, the Global Forum has a comprehensive menu of assistance services in EOIR and AEOI covering legal framework assistance, operational assistance, political outreach, regional engagement, and confidentiality and data safeguards. A wide range of practical tools is in place to facilitate the progress and support countries in their journey.

Developing country members are subject to the same commitments and peer review processes, except that the developing countries with no financial centre were not required to commit to commencing AEOI by 2018. AEOI-related technical assistance, particularly with legislative drafting and industry consultation, played a major role in getting developing countries with a financial centre across the line. With the support of technical assistance, over 30 of these countries delivered standard-aligned legislation on time, which supported their timely exchanges. In parallel, extending the benefits of AEOI to developing countries without a financial centre has been a driving force of the technical assistance programme. A Roadmap was published to pave the way for developing countries to implement the AEOI standard, which was subsequently endorsed by the G20 and is being implemented by the Global Forum (working with various development banks, regional organisations and partner jurisdictions).<sup>17</sup> It was followed by the Plan of Action for Developing Countries’ Participation in AEOI,<sup>18</sup> which reinforced the pace and expanded the scope of assistance to advising on data safeguarding and administrative measures for AEOI. In line with this plan, more than 40 countries have been provided some form of guidance and support.

Whilst being assessed against the same standards, developing country members often have no or limited experience in exchange of information. 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 aims 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 so contributing to domestic revenue mobilisation. In total, 34 countries are benefitting from an ongoing programme (see **Box 8** “Ongoing Induction Programmes”). For those developing countries that joined the Global Forum before this programme was put in place, tailored assistance is provided upon request.

**FIGURE 8. Membership of the Global Forum**



*“The Global Forum represents for Honduras a transcendental decision to join international transparency initiatives and fight against aggressive tax planning, which will allow the country to protect its public income to achieve better living conditions for its population.”*

**Ms Miriam Guzman**  
Minister of Finance of Honduras

17. Global Forum, Automatic Exchange of Information: A Roadmap for Developing Country Participation (Final Report to the G20 Development Working Group, 5 August 2014).

18. Global Forum, The Global Forum’s Plan of Action for Developing Countries Participation in AEOI (November 2017).

## Empowering developing countries

### BOX 8. ONGOING INDUCTION PROGRAMMES

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Armenia, Benin, Bosnia Herzegovina, Cambodia, Cabo Verde, Chad, Cote d'Ivoire, Djibouti, Ecuador, Eswatini, Egypt, Faroe Islands, Guyana, Greenland, Guinea, Haiti, Honduras, Jordan, Lebanon, Madagascar, Maldives, Moldova, Mongolia, Montenegro, Namibia, Niger, Oman, Papua New Guinea, Paraguay, Rwanda, Serbia, Tanzania, Thailand and Togo

The assistance provided by the Global Forum has helped its developing country members to improve their domestic and international legal frameworks providing for tax transparency and exchange of information and advance their practices. The results of this work are evident through the outcomes of their peer reviews. In total, more than 40 developing countries have been reviewed and only a handful of them have been given less than satisfactory EOIR ratings. In Africa, more than ten countries signed the multilateral Convention since 2014, having been supported in the legal framework analysis and the procedural steps necessary to accede to it. Lebanon's journey is a remarkable example of progress by making the most of technical assistance to drive legislative change.

On the practical side, the number of requests received and made by developing country members is increasing at high speed (see **Figure 9** "Number of Requests received and Made by Developing Country Members"), bringing additional tax revenues. For instance, in 2016, intelligence from an exchange of information request received by Togo led to the recovery of USD 1 million in taxes. In 2018, a response to a Tunisian request confirmed a taxpayer's undeclared foreign bank account used to hide assets. Compliance action generated almost USD 2 million in additional tax.

Developed country members strongly support the technical assistance work of the Global Forum. Australia, the European Union, France, Japan, Norway, Switzerland

*On the practical side, the number of requests received and made by developing country members is increasing at high speed.*

### BOX 9. LEBANON

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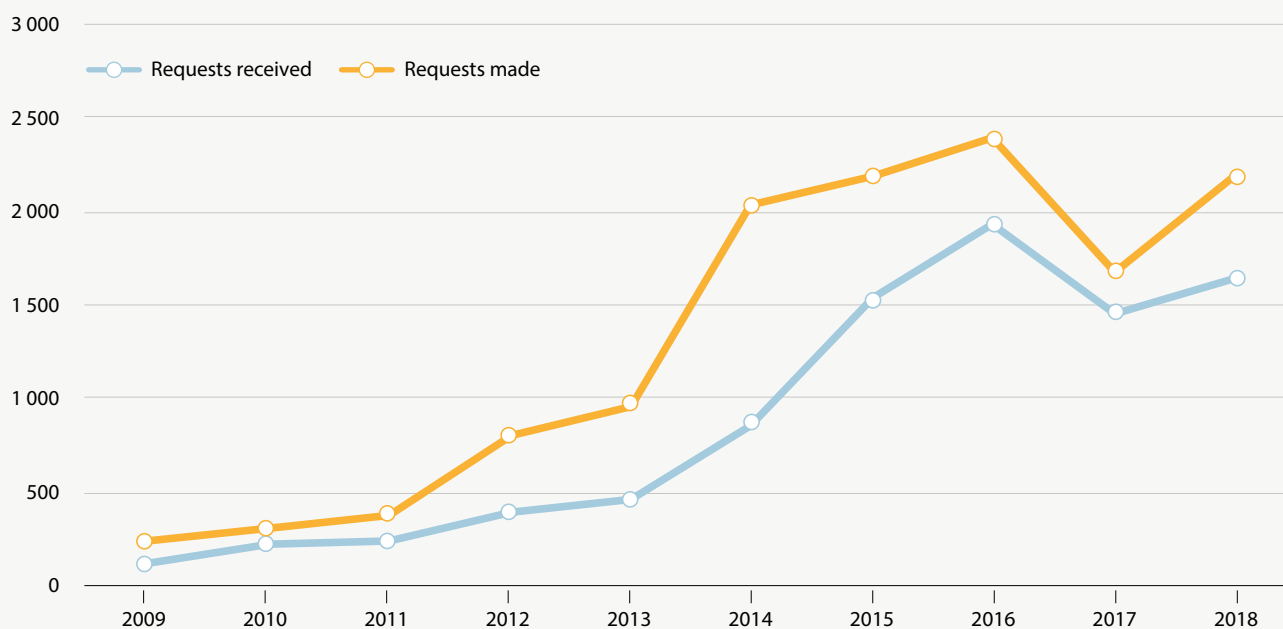
Despite challenging political and economic circumstances, Lebanon combined a strong political commitment, consensus building with the financial sector, and a dedicated administration to deliver dramatic changes and achieve what some may have considered impossible a few years ago. Lebanon was peer reviewed in 2012 as a non-member jurisdiction relevant to the work of the Global Forum. The report has identified serious deficiencies in its legal framework.

In 2016, Lebanon joined the Global Forum and committed to the AEOI standard. By 2017, Lebanon had made impressive progress. The laws were passed to abolish bearer shares and lift bank secrecy for EOIR and AEOI purposes. Lebanon also quickly signed and ratified the multilateral Convention and signed the Common Reporting Standard (CRS) Multilateral Competent Authority Agreement, and adopted CRS Regulations.

After receiving a provisional "Largely Compliant" rating in its fast-track review in 2017, Lebanon continued to improve its legislation and practice, including by strengthening its Anti-Money Laundering and tax legal frameworks to ensure the availability of beneficial ownership information. This rating has been confirmed in the second round of EOIR peer reviews in 2019. Lebanon also met its AEOI commitment by exchanging data with partners in 2018 and 2019.



FIGURE 9. Number of requests received and made by developing country members



Note: The figure is built on the basis of the figures reported by Global Forum members through the 2019 Global Forum Survey (about 50% of all members have responded).

and the United Kingdom have provided financial contributions. Many others have provided experts or technical support. A large network of regional and international organisations provides essential partners in building trust and longterm relationships locally. Regional partnerships are enablers of better coordination and the pooling of strengths and resources in technical assistance. For instance, in 2018/2019, the Global Forum successfully partnered with specialists from the Asian Development Bank to help five Pacific island countries prepare for their EOIR peer reviews. All attained a rating of “Largely Compliant” in 2019.

The ten year story of the Global Forum’s technical assistance cannot end without mentioning the flagship technical assistance programme of the Global Forum, the Africa Initiative. Set up in 2014 and now comprising 31 member countries, the Initiative pioneered the Global Forum’s regional approach, which was then replicated in Latin America and Asia. In a continent with one of the highest ratios of IFF, including due to tax evasion, the Africa Initiative has seen massive technical support provided to regional tax authorities to help tackle non compliance.

Since 2015, almost 30 in country and regional seminars organised with regional partners have built awareness and knowledge of over 1 000 tax officials. With the help of EOIR training, African countries are now collecting taxes by converting information obtained into revenues. In 2018, five countries reported having collected additional taxes of about EUR 20 million as a result of exchange of information. African countries are also now making inroads into AEOI. These and other achievements are detailed in the landmark report *Tax Transparency in Africa: Africa Initiative Progress Report 2018*.<sup>19</sup> A further impact report will

19. Global Forum, *Tax Transparency in Africa: Africa Initiative Progress Report 2018*.



be developed in cooperation with the African Union, expected to be published in March 2020. The journey of Uganda highlights how developing countries can benefit from exchange of information through combining technical assistance, a strong political will, and collaborative engagement with regional partners.

📍 Technical assistance mission to Nairobi, Kenya – 2019.

A series of highlevel events have also been held since 2015 to raise the profile of the Africa Initiative. African members took advantage of the 2017 Plenary meeting in Cameroon to make the Yaoundé Declaration, a call for action urging the African Union to begin a highlevel discussion on tax cooperation and IFFs and their link to domestic resource mobilisation. Today, it has been signed by 25 African countries, bringing tax transparency to the top of regional agendas for Africa. The African Union Commission's has joined the Global Forum as an observer in 2019, which further demonstrates the increasing political support for its work in the African continent. ■

#### BOX 10. UGANDA

Uganda, a resource-rich developing country, faced challenges early in the decade in ensuring the transparency of its taxpayers' cross border activities. In 2014, Uganda had a limited network of exchange of information agreements, undeveloped relations with partner competent authorities, and made little use of exchange of information. It also did not have a central exchange of information processing function, which caused delays in making and processing requests.



The Ugandan authorities embarked on a strategy of becoming a visible player in the global tax transparency community and making greater use of exchange of information in its tax compliance programme. A cross-government working committee was established to address the challenges by engaging with key international associations, including the Global Forum and its Africa Initiative targets; expanding the exchange of information network; and working with the Global Forum, ATAF and the German GIZ on a capacity building programme. This included establishing a well-functioning exchange of information team and processes, bringing the multilateral Convention into force (allowing an increased treaty network), and actively promoting tax transparency within the East African Community and within Africa more broadly.

Thanks to the successful implementation of its EOI strategy, Uganda attained a "Largely Compliant" rating in its 2016 EOIR peer review and is a well-regarded EOI partner in the region and globally. Uganda now makes routine use of exchange of information as a tool to protect its tax base. Between 2015 and 2019, it raised USD 25 million in additional revenue from tax cases as a result of exchange of information, having sent 61 requests to its treaty partners.





# 102<sub>bn</sub>

euros of additional tax revenues identified

.....

*Voluntary disclosure programmes and tax investigations have helped to identify about EUR 102 billion in additional revenue (tax interest, penalties). The EOIR alone has enabled the collection of nearly EUR 7.5 billion. Reports on the first revenue collected on the basis of AEOL have started to arrive and can be expected to increase.*

## 6 | Strengthening revenue collection and tax compliance

The Global Forum has substantially changed the arithmetic of international tax evasion and avoidance, greatly increasing the capacity of governments to close the knowledge gap between them and tax evaders. The implementation of the international tax transparency standards improves the administration tools available to tax authorities. Responding to the 2017 Global Forum's survey, 75% of jurisdictions expressed positive expectations concerning the impact of EOIR on tax compliance. With respect to AEOL, respondents were even more positive, with 90% expecting that the new standard has clearly positive influence on tax compliance.

## Strengthening revenue collection and tax compliance

However, this impact and actual revenue gains coming from the increased tax transparency are difficult to estimate with accuracy. Only about 20% of the Global Forum members systematically track additional tax revenues collected with the involvement of EOIR. Even less, about 10%, have already put systems in place that allow monitoring the revenues generated by AEOI. Whilst a small number of jurisdictions collect this information and also other types of data which speak to the efficiency of EOIR and/or AEOI, these examples do not yet reflect general practice.

In these circumstances, the available data on tax revenues which have been additionally collected could only reveal a small share of the actual gains. As of November 2019, voluntary disclosure programmes and tax investigations helped to identify about EUR 102 billion in additional revenue (tax, interest, penalties). Voluntary disclosure programmes have been the largest contributor to this figure with nearly 40 jurisdictions having reported some form of disclosure between 2009 and 2019. For instance, voluntary disclosures brought EUR 462 million in Australia, 13,6 billion in Brazil, nearly 6 billion in Germany, 29 million in Hungary, 54 million in Luxembourg and over 900 million in Mexico. Over 1 million of taxpayers have come forward to voluntarily disclose their assets.

The EOIR alone has enabled the collection of nearly 7.5 billion of additional tax revenue. Reports on the first revenue collected on the basis of AEOI have started to arrive and can be expected to increase as ongoing investigations head towards their closure.

The availability of information on offshore financial accounts has impact also on the number of foreign accounts reported domestically, as well as foreign income which is declared. The vast majority of jurisdictions have reported an increase on both the number of declared foreign accounts and the amounts of foreign income; however, there are some exceptions where the numbers are dropping. Whilst this effect would warrant more detailed investigation, one plausible explanation would be that certain accounts are being closed which is reflected in the dropping figures.

The changing tax transparency and exchange of information landscape has prompted a wave of studies evaluating the impact of these developments on taxpayers' behaviour and – by extension – on cross-border deposits and investment flows. In their 2014 paper, Johannesen and Zucman assessed how exchange of information agreements affected bank deposits in IFCs.<sup>20</sup> The study finds evidence that some taxpayers responded to the signature of new exchange



10th Plenary Meeting of the Global Forum in Yaoundé, Cameroon – 2017.

*“The Global Forum is instrumental in improving the ability to respond to cross-border tax risks, helping tax administrations around the world.”*

**Mr Charles Rettig**  
Commissioner of the United States Internal Revenue Service

20. Johannesen N. and Zucman G., “The End of Bank Secrecy? An Evaluation of the G20 Tax Haven Crackdown”, *American Economic Journal: Economic Policy*, 2014, 6(1): 65-91.

### BOX 11. AUSTRALIA

In 2018, Australia received records relating to more than 1.6 million foreign accounts holding over EUR 62 billion. The information has been used to identify foreign income that had not been reported in Australia, and it reveals that many Australians have non-reported financial dealings in foreign countries (for example, China, the United Kingdom, Switzerland, Singapore and the United States). The Australian Tax Office encourages non-compliant taxpayers to disclose this information and comply with the tax laws. Since 2016, 260 592 taxpayers made use of the voluntary disclosure mechanisms. So far, EUR 620 million in liabilities have been identified as a result.





of information agreements; however, due to the limited coverage of the exchange of information network, rather than repatriating funds, deposits were shifted to jurisdictions which at that time did not fully engage in the exchange of information. Following the expansion of the exchange of information network, in particular through the multilateral Convention and the commencement of AEOI (as described in Section 4 above), the situation has changed.

A recent OECD study demonstrates that bank deposits owned by non-IFC residents have fallen by 24% (USD 410 billion) globally between 2008 and 2019.<sup>21</sup> Furthermore, commencement of AEOI in 2017 and 2018 is associated with a further average reduction in IFC bank deposits of 22%. This effect is not seen in bank deposits in non-IFCs, suggesting that the reduction in bank deposits in IFCs is related to reduced offshore activity.

This OECD paper is one of several recent studies that have found EOIR and AEOI are, to varying degrees, associated with reductions in bank deposits in IFCs, as well as other forms of offshore financial activity.<sup>22</sup> Whilst the estimates provided range from an 11.9% reduction to a 67% reduction depending on the variations in sample sizes, time periods covered, and different jurisdictions defined as IFCs, the conclusions point in the same direction. The extent to which other factors (such as a reduction in base erosion and profit shifting activity, or other (potentially also non-tax) factors) may have contributed to the decreased tax evasion cannot be established with precision. However, this evidence strongly suggests that tax transparency and exchange of information are playing a material role in reducing offshore activity. ■

*“The achievements of the Global Forum were almost unimaginable a decade ago, the implementation and monitoring of tax transparency and exchange of information standards has markedly reduced tax evasion and avoidance across the globe and is to be commended.”*

**Mr Paschal Donohoe**  
Minister of Finance for Ireland

21. O'Reilly P, Parra Ramirez K. and Stemmer M.A. (2019), “Exchange of Information and Bank Deposits in International Financial Centres”, OECD Taxation Working Papers (forthcoming).

22. Ahrends L. and Bothner F. (2019), “The Big Bang: Tax Evasion after Automatic Exchange of Information under FATCA and CRS”, *New Political Economy*, Vol. 24, pp. 605-622; Casi E., Spengel C. and Stage B. (2018), “Cross-Border Tax Evasion After the Common Reporting Standard: Game Over?”, *ZEW Discussion Paper*, Vol. 18-036; Menkhoff L. and Miethe J. (2019), “Tax Evasion in New Disguise? Examining Tax Haven’s International Bank Deposits”, *Journal of Public Economics*, Vol. 176, pp. 53-78; Heckemeyer J.H. and Hemmerich A.K., “Information Exchange and Tax Haven Investment in OECD Securities Markets” (March 8, 2018; available at SSRN).

## 7 | Looking into the future

*“The Global Forum has brought real integrity to the international system of information exchange.”*

**Mr Stuart Nash**

Minister of Revenue of New Zealand

Closer multilateral cooperation on exchange of information for tax purposes has delivered quick and tangible results. The Global Forum has driven substantial improvements in the application of the standards in member jurisdictions and boldly identified jurisdictions falling behind in their obligations. It has facilitated the implementation of the new AEOI standard, and significantly enhanced its role in the global agenda for developing countries.

Whilst the results achieved are impressive, more needs to be done to ensure that tax scandals of the scale seen in the past are not repeated. Tax evaders remain keen to exploit any new loophole or weakness in the legal and regulatory frameworks across the world. International cooperation should remain strong to address the remaining gaps in the system and pre-empt new tax evasion and avoidance strategies.

Further actions therefore include:

- The Global Forum will continue ensuring that all jurisdictions effectively participate in EOIR, do not fall back and continue advancing the transparency and exchange of information agenda as a matter of high priority. In the second round of the EOIR peer reviews, the most problematic issue concerns the availability of beneficial ownership information, which is comparable to those faced in Round 1 with respect to bank secrecy or bearer shares. Whereas about 90% of jurisdictions reviewed so far received the overall rating of “Compliant” or “Largely Compliant”, one in three jurisdictions has been rated as “Partially Compliant” on the availability of ownership information, mostly due to the deficiencies related to beneficial ownership. In the coming years, the Global Forum will focus on supporting its members in making progress on the availability of beneficial ownership.
- Delivering the effective implementation of the AEOI standard and the level playing field is a key objective. With the domestic and international legal frameworks have already been reviewed, the peer reviews in relation to the effectiveness of the implementation of the AEOI in practice will commence in 2020, ensuring all implementing jurisdictions are dedicating resources to deliver this result, including by ensuring compliance by financial institutions with the requirements.
- Much progress has been achieved in the past ten years: the geographical coverage of exchange of information and the quality of exchanges are improving. However, many developing countries still have to advance their regulatory regimes and practices to benefit from these developments. The Global Forum will continue to expand its programmes of technical assistance, in close cooperation with its regional and international partners, to deliver swift progress to those corners of the world where it is particularly needed. Full returns from the global investments in the exchange of information are yet to be obtained.
- Finally, the world is rapidly developing with new challenges emerging. The Global Forum needs to be agile to such new risks and respond to them in a swift manner. Only through co-ordinated global action, and swift reaction to newly emerging risks, governments around the world can win the battle against tax evasion and avoidance and secure the integrity of their tax systems. ■

*International co-operation should remain strong to address the remaining gaps in the system and pre-empt new tax evasion and avoidance strategies.*



## Annex | Implementation of EOIR and AEOI standards by Global Forum members

The implementation of the international standards on transparency and exchange of information has been swift and global. Only few jurisdictions have fallen short in meeting the commitments made to the Global Forum. They are provided with support to advance their regulatory environment and practices.

As of 21 November 2019, 111 jurisdictions are currently rated as “Compliant” (24), “Largely Compliant” (85) or “Provisionally Largely Compliant” (2) on their overall performance in the effective implementation of the EOIR Standard, which powerfully signals generally high compliance with the standard. Only 10 jurisdictions have been rated as “Partially Compliant” (8) or “Non-Compliant” (2).

Further, 96 jurisdictions have commenced automatic exchanges of financial account information. Six jurisdictions that committed to commence exchanges by 2018 are still in the process of completing the necessary steps. The first reviews of the effectiveness of the implementation of the AEOI standard in practice will commence in 2020. Ratings will be assigned in 2021.

## Implementation of EOIR and AEOI standards by Global Forum members

Global Forum members	EOIR		AEOI
	Round 1 assessment	Round 2 assessment	Exchanging?
Albania	Largely Compliant		Committed to 2020**
Andorra	Provisionally Largely Compliant*	Largely Compliant	Yes
Anguilla	Partially Compliant		Yes
Antigua and Barbuda	Provisionally Largely Compliant*		Yes
Argentina	Largely Compliant		Yes
Armenia	N/A		N/A – not asked to commit
Aruba	Largely Compliant	Largely Compliant	Yes
Australia	Compliant	Largely Compliant	Yes
Austria	Largely Compliant	Largely Compliant	Yes
Azerbaijan	Largely Compliant		Yes
The Bahamas	Largely Compliant	Largely Compliant	Yes
Bahrain	Largely Compliant	Compliant	Yes
Barbados	Largely Compliant		Yes
Belgium	Compliant	Largely Compliant <sup>2</sup>	Yes
Belize	Largely Compliant		Yes
Benin	N/A		N/A – not asked to commit
Bermuda	Largely Compliant	Largely Compliant	Yes
Bosnia and Herzegovina	N/A		N/A – not asked to commit
Botswana	Largely Compliant	Partially Compliant	N/A – not asked to commit
Brazil	Largely Compliant	Largely Compliant	Yes
British Virgin Islands	Largely Compliant		Yes
Brunei Darussalam	Largely Compliant		Committed to 2018 exchange after being asked to do so but has not yet exchanged
Bulgaria	Largely Compliant		Yes*****
Burkina Faso	Largely Compliant		N/A – not asked to commit
Cabo Verde	N/A		N/A – not asked to commit
Cambodia	N/A		N/A – not asked to commit
Cameroon	Largely Compliant		N/A – not asked to commit
Canada	Compliant	Largely Compliant	Yes
Cayman Islands	Largely Compliant	Largely Compliant	Yes
Chad	N/A		N/A – not asked to commit
Chile	Largely Compliant		Yes
China (People's Republic of)	Compliant		Yes
Colombia	Compliant		Yes
Cook Islands	Largely Compliant		Yes
Costa Rica	Provisionally Largely Compliant*	Largely Compliant	Yes
Côte d'Ivoire	N/A		N/A – not asked to commit
Croatia	N/A	Largely Compliant	Yes
Curaçao	Partially Compliant	Largely Compliant	Yes
Cyprus	Largely Compliant		Yes
Czech Republic	Largely Compliant		Yes
Denmark	Compliant	Largely Compliant	Yes
Djibouti	N/A		N/A – not asked to commit
Dominica	Provisionally Largely Compliant *		Committed to 2018 exchange after being asked to do so but has not yet exchanged

## Implementation of EOIR and AEOI standards by Global Forum members

Global Forum members	EOIR		AEOI
	Round 1 assessment	Round 2 assessment	Exchanging?
Dominican Republic	Provisionally Largely Compliant*	Largely Compliant	N/A – not asked to commit
Ecuador	N/A		Committed to 2020**
Egypt	N/A		N/A – not asked to commit
El Salvador	Largely Compliant		N/A – not asked to commit
Estonia	Largely Compliant	Compliant	Yes
Eswatini	N/A		N/A – not asked to commit
Faroe Islands	N/A		Yes
Finland	Compliant		Yes
France	Compliant	Compliant	Yes
Gabon	Largely Compliant		N/A – not asked to commit
Georgia	Largely Compliant		N/A – not asked to commit
Germany	Largely Compliant	Largely Compliant	Yes
Ghana	Largely Compliant	Partially Compliant	Yes**
Gibraltar	Largely Compliant		Yes
Greece	Largely Compliant		Yes
Greenland	N/A		Yes
Grenada	Largely Compliant		Yes
Guatemala	Non-Compliant in Round 1 and then Provisionally Largely Compliant after the Fast-Track process *	Non-Compliant	N/A – not asked to commit
Guernsey	Largely Compliant	Compliant	Yes
Guinea	N/A		N/A – not asked to commit
Guyana	N/A		N/A – not asked to commit
Haiti	N/A		N/A – not asked to commit
Honduras	N/A		N/A – not asked to commit
Hong Kong (China)	Largely Compliant	Largely Compliant	Yes
Hungary	Largely Compliant	Largely Compliant	Yes
Iceland	Compliant		Yes
India	Compliant	Largely Compliant	Yes
Indonesia	Partially Compliant	Largely Compliant	Yes
Ireland	Compliant	Compliant	Yes
Isle of Man	Compliant	Compliant	Yes
Israel	Largely Compliant		Yes
Italy	Largely Compliant	Compliant	Yes
Jamaica	Largely Compliant	Largely Compliant	N/A – not asked to commit
Japan	Compliant	Largely Compliant	Yes
Jersey	Largely Compliant	Compliant	Yes
Jordan	N/A		N/A – not asked to commit
Kazakhstan	N/A	Partially Compliant	Committed to 2020****
Kenya	Largely Compliant		N/A – not asked to commit
Korea	Compliant		Yes
Kuwait	N/A		Yes***
Latvia	Largely Compliant		Yes
Lebanon	Provisionally Largely Compliant*	Largely Compliant	Yes
Lesotho	Largely Compliant		N/A – not asked to commit



## Implementation of EOIR and AEOI standards by Global Forum members

Global Forum members	EOIR		AEOI
	Round 1 assessment	Round 2 assessment	Exchanging?
Liberia	N/A		N/A – not asked to commit
Liechtenstein	Largely Compliant	Largely Compliant	Yes
Lithuania	Compliant		Yes
Luxembourg	Largely Compliant	Largely Compliant	Yes
Macau (China)	Largely Compliant		Yes
Madagascar	N/A		N/A – not asked to commit
Malaysia	Largely Compliant	Largely Compliant	Yes
Maldives	N/A		Committed to 2020**
Malta	Largely Compliant		Yes
Marshall Islands	Provisionally Partially Compliant*	Largely Compliant	Yes
Mauritania	Largely Compliant		N/A – not asked to commit
Mauritius	Largely Compliant	Compliant	Yes
Mexico	Compliant		Yes
Moldova	N/A		N/A – not asked to commit
Monaco	Largely Compliant	Compliant	Yes
Mongolia	N/A		N/A – not asked to commit
Montenegro	N/A		N/A – not asked to commit
Montserrat	Largely Compliant		Committed to 2017 exchange after being asked to do so but has not yet exchanged
Morocco	Largely Compliant		Yes
Namibia	N/A		N/A – not asked to commit
Nauru	Provisionally Largely Compliant*	Largely Compliant	Yes
Netherlands	Largely Compliant	Largely Compliant	Yes
New Zealand	Compliant	Compliant	Yes
Niger	N/A		N/A – not asked to commit
Nigeria	Largely Compliant		Committed to 2020**
Niue	Largely Compliant		Committed to 2018 exchange after being asked to do so but has not yet exchanged
North Macedonia	Largely Compliant	Largely Compliant	N/A – not asked to commit
Norway	Compliant	Compliant	Yes
Oman	N/A		Committed 2020***
Pakistan	Largely Compliant		Yes
Panama	Provisionally Largely Compliant*	Partially Compliant	Yes
Papua New Guinea	N/A		N/A – not asked to commit
Paraguay	N/A		N/A – not asked to commit
Peru	N/A		Committed to 2020**
Philippines	Largely Compliant	Largely Compliant	N/A – not asked to commit
Poland	Largely Compliant		Yes
Portugal	Largely Compliant		Yes
Qatar	Largely Compliant	Largely Compliant	Yes
Romania	Largely Compliant		Yes
Russian Federation	Largely Compliant		Yes
Rwanda	N/A		N/A – not asked to commit
Saint Kitts and Nevis	Largely Compliant	Largely Compliant	Yes
Saint Lucia	Largely Compliant		Yes

## Implementation of EOIR and AEOI standards by Global Forum members

Global Forum members	EOIR		AEOI
	Round 1 assessment	Round 2 assessment	Exchanging?
Saint Vincent and the Grenadines	Largely Compliant		Yes
Samoa	Provisionally Largely Compliant*	Largely Compliant	Yes
San Marino	Largely Compliant	Compliant	Yes
Saudi Arabia	Largely Compliant	Largely Compliant	Yes
Senegal	Largely Compliant		N/A – not asked to commit
Serbia	N/A		N/A – not asked to commit
Seychelles	Largely Compliant		Yes
Singapore	Largely Compliant	Compliant	Yes
Sint Maarten	Partially Compliant		Committed to 2018 exchange after being asked to do so but has not yet exchanged
Slovak Republic	Largely Compliant		Yes
Slovenia	Compliant		Yes
South Africa	Compliant		Yes
Spain	Compliant	Largely Compliant	Yes
Sweden	Compliant		Yes
Switzerland	Largely Compliant		Yes
Tanzania	N/A		N/A – not asked to commit
Thailand	N/A		N/A – not asked to commit
Togo	N/A		N/A – not asked to commit
Trinidad and Tobago	Non-Compliant		Committed to 2018 exchange after being asked to do so but has not yet exchanged
Tunisia	N/A		N/A – not asked to commit
Turkey	Partially Compliant		Yes
Turks and Caicos Islands	Largely Compliant	Largely Compliant	Yes*****
Uganda	Largely Compliant		N/A – not asked to commit
Ukraine	N/A		N/A – not asked to commit
United Arab Emirates	Provisionally Largely Compliant*	Largely Compliant	Yes
United Kingdom	Largely Compliant	Largely Compliant	Yes
United States	Largely Compliant	Largely Compliant	Exchanging under bilateral Model 1 FATCA agreements. <sup>23</sup>
Uruguay	Largely Compliant		Yes
Vanuatu	Provisionally Largely Compliant*	Partially Compliant	Yes

23. 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, and 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.

### EOIR notes:

N/A: indicates that no rating was applied to the jurisdiction, as it became a member of the Global Forum too close to the end of Round 1 or after its end. These jurisdictions will be reviewed for the first time in Round 2.

\* These jurisdictions have been reviewed under the Fast-Track review procedure and assigned a provisional overall rating. The Global Forum completed its first round of peer reviews in 2016, and subsequently established a Fast-Track review procedure, which was a one-time process to allow jurisdictions to quickly demonstrate the progress made in implementing the EOIR standard.

### AEOI notes:

\*\* Developing countries that do not host a financial centre and were not asked to commit to a specific date to exchange information, but have done so voluntarily.

\*\*\* Developed countries that joined the Global Forum after the commitment process was conducted in 2014. They were therefore asked to commit to a particular timeline upon joining.

\*\*\*\* Kazakhstan established its financial centre in 2018 and since then would have been expected to commit to exchange under the AEOI Standard to a particular timeline. It voluntarily committed to implement the AEOI Standard.

\*\*\*\*\* These jurisdictions previously commenced exchanges but their 2019 exchanges have been delayed.

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