OECD Centres

Germany
Berlin (49-30) 288 8353
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Tokyo (81-3) 5532-0021

Mexico
Mexico (52-55) 5281 3810
United States
Washington (1-202) 785 6323

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OECD countries, offshore financial centres report progress on exchange of information

International co-operation is helping governments around the world to combat tax cheating through improved transparency and exchange of information in tax matters but there are still gaps that need to be plugged, according to a new report by the OECD's Global Forum on Taxation.

"Tax Co-operation: Towards a Level Playing Field – 2006 Assessment by the Global Forum on Taxation", is a survey of 82 OECD and non-OECD countries and jurisdictions which shows that countries continue to improve their international cooperation to combat tax abuse by putting in place mechanisms which enhance transparency and exchange of information for tax purposes.

In the past few years, it notes, many of the economies reviewed have enhanced transparency by introducing rules on customer due diligence, information gathering powers and the immobilisation of bearer shares. Most have entered into double taxation conventions and/or tax information exchange agreements, and many are engaged in negotiations for such agreements. No OECD countries and few non-OECD economies now make domestic tax interests a condition for responding to a treaty partner's request for information on a specific taxpayer.

Nevertheless, the Global Forum acknowledges, more progress needs to be made. A few economies still place constraints on international co-operation to counter criminal tax matters and a number continue to impose strict limits on access to bank information in civil tax matters.

Paolo Ciocca, Chair of the OECD's Committee of Fiscal Affairs and Co-Chair of the Global Forum, emphasised that the Global Forum's efforts to improve transparency and exchange of information will continue towards a level playing field.

"The direction of change is clear," he said in a statement. "Onshore and offshore financial centres are prepared to work towards the implementation of mutually agreed standards. I look forward to the day when the centres that have met these standards are joined by other jurisdictions that have not yet achieved them."

Leasi P. T. Scanlan, Governor of the Central Bank of Samoa and also a Co-Chair of the Global Forum, said the report demonstrated the ability of OECD and non-OECD countries to co-operate in order to prevent their financial centres being misused for illegal tax avoidance and evasion. "This has been a huge undertaking but we now have a clear idea of where we stand. It is an important step in helping countries to work towards a level playing field so that these abuses do not simply shift from one financial centre to another."

To receive a copy of the report you may contact the OECD Media Division (news.contact@oecd.org; tel: + 33 1 45 24 97 00). For further information, journalists are invited to contact Jeffrey Owens, Director of OECD's Centre for Tax Policy, (Jeffrey.Owens@oecd.org; tel. + 331 45 24 91 08).

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OECD Media Relations
General Inquiries: Tel. (33) 1 45 24 97 00 - Fax. (33)1 45 24 80 03/94 37 · **Research & Documentation:** Tel. (33) 1 45 24 80 88/80 89
www.oecd.org/media · E-mail: news.contact@oecd.org

Organisation for Economic Co-operation and Development, 2 rue André-Pascal, 75775 Paris Cedex 16, France· Tel. (33) 1 45 24 82 00 - Fax. (33) 1 45 24 85 00
www.oecd.org