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THE PRIME MINISTER

9 April 2009

Dear Premier

Recent developments - including those at the G20 - have underlined the importance of embracing international standards on tax transparency.

I am writing to you today to make clear my full support for the current initiatives and my belief that it is strongly in the interests of all – including Britain's Overseas Territories and Crown Dependencies - to meet these international standards.

The Summit was an important opportunity for the G20 to discuss the global economic crisis and to consider what governments could do collectively to address the situation. I agreed with the other G20 leaders that international co-operation is necessary in a number of areas. One of these areas was on improved co-operation in the exchange of tax information, and ensuring that all jurisdictions meet internationally recognised standards on tax transparency.

I welcome the fact that many of you have made public statements re-committing yourselves to the OECD standards as confirmed also in letters sent to me and Treasury Ministers. I fully support these and believe it is strongly in the interests of all of us to ensure these standards are met quickly, and that all jurisdictions are treated equally.

It is particularly important that all Territories build on the current momentum and work toward meeting the international standard swiftly on the basis of agreements with the major nations represented in the G20, the EU and the OECD. We will continue to encourage our international partners in the OECD and EU to sign agreements with the Territories.

The UK Government has already provided entrustments to allow you to negotiate and conclude Tax Information Exchange Agreements with EU and OECD countries, while consulting us throughout the process. We remain committed to working in partnership and helping you make further progress. We will continue to offer assistance, where necessary, through practical advice on how best to meet the international standards.

Given the developments at G20 and, in particular, the identification of a tool box of sanctions which will be applied against those who do not meet the international standard, I urge you to achieve the standard of 12 TIEAs or equivalent arrangements before the UN General Assembly in September.

Similarly, as international efforts on harmful tax practices start to refocus on the issue of tax avoidance, it will be vital to the interests of the Overseas Territories that they can readily meet the new international standards which may emerge.

Yours sincerely

Carlin Brown

The Hon Ralph O'Neal OBE