

The OECD's Project on Harmful Tax Practices

Harmful tax practices

- Low or non existent rates or taxation
- Separate taxation systems for domestic and international markets
- Lack of transparency in the local tax regime
- Unwilling to share information or exchange information with other national taxation or law enforcement authorities

Publications

(All In <http://www.oecd.org/>)

- 1998 Report:
- Harmful Tax Competition. An Emerging Global Issue.
- Set out criteria for determining harmful tax practices
- And recommends measures to combat them

Publications (2)

- 2000 Report:
- Towards Global Tax Co-operation. Progress in Identifying and Eliminating Harmful Tax Practices
- Updating the 1998 Report
- Identified 35 tax havens and 47 potentially harmful preferential regimes

Publications (3)

- 2001 Progress Report
- Update and enhancements to the process

Uncooperative Tax Havens

- 7 Jurisdictions: uncooperative tax havens (April 2002):
Andorra, Liechtenstein, Liberia, Monaco, The Marshall Islands, Nauru and Vanuata.
- Following OECD, these have indicated an unwillingness to the proposed reforms.
- December 2003: Nauru + Vanuatu
- OFCs: OECD with double standards?

OECD's Work with Member Countries

- Committee of Fiscal Affairs:
- Improving Access to Bank Information for Tax Purposes (Report 2000).
- Multilateral Convention for Mutual Administrative Assistance
- OECD Model Tax Convention

Critics

- Soft laws, self-control, poor sanctions
- OECD = Rich Countries Club
- Defining global agenda without full integration of developing countries
- Financial institutions of the North are not under similar pressure as the small OFCs (Double standards)
- Focus on mobile financial activities, areas as subsidies or tax incentives left untouched

IMF

- Offshore Financial Centers Assessment Program
- Information Note August 29, 2002
<http://www.imf.org/external/np/mae/osshore/>
- Legal aspects/Supervision/Standard Setting/Technical Assistance

IMF (2)

- Financial Sector Assessment Program (FSAP)

<http://www.imf.org/external/np/fsap/>

- Country Reports
- Surveillance Policy

IMF (and others)

- International Taxation Dialogue on Taxation
- A joint proposal by the staff of IMF, Worldbank, OECD at the Monterrey (Mexico) Conference on Financing for Development, March 2002
- UN and developing country organizations invited!!
- No follow-up until today

UNO

- **The UN ad hoc group of experts on international co-operation in tax matters:
Bi-annual meetings, with public reports.
Partly the experts are governmental officials, partly representatives from international private banks and from TNUs.
Geneva meeting December 2003: TJN Observer**
- **Financing for Development, Follow-up**
- **UN office for drug control and crime prevention:
link to combat money laundering/criminality associated with the worldwide trade in illegal drugs**