



REINFORCE INTERNATIONAL TAX COOPERATION

The L'Aquila G8 is the summit of rules, and will intensify cooperation to fight tax evasion and tax havens. The objective is to guarantee fairness and defend the tax base and the resources that governments need for the recovery

FACTS

International tax evasion:

- **withholds resources from Governments:** in these times of extraordinary public commitments, Governments need to protect their tax basis more than ever;
- **distorts competition** and redistributes unfairly the tax burden between taxpayers;
- **damages especially the poorest countries**, where it is often associate to capital flights, corruption, and bad governance, subtracting resources sometimes larger than those received through official development assistance;

The London Summit has given a new impetus to the cooperation against non cooperative jurisdictions on the Exchange of tax information and tax havens. The OECD has published in April a list of jurisdictions that have not committed to the internationally agreed tax standards. All of these countries have rapidly decided to accept those standards.

It is now necessary to secure the full and effective implementation of these commitments, through the conclusion of significant agreements for the exchange of information. It is also necessary to deepen further international cooperation, also with countries not yet in the Global Forum on tax cooperation of the OECD, which currently includes 84 countries.

G8 RESPONSE

G8 Leaders are committed to maintaining a strong political pressure, and to reinforcing international cooperation and action against tax evasion. They have therefore adopted a framework of action to strengthen the exchange of tax information and transparency, which:

- puts into place a per review mechanism of the OECD Global Forum to monitor the implementation of International standards by all jurisdictions;
- improves the actual exchange of information, through the increase of the number, quality and relevance of agreements signed between countries following international standards;
- updates the criteria used to define jurisdictions which have not yet implemented substantially International standards;
- encourages the enlargement of the number of countries participating to the OECD Global Forum, in particular developing countries;
- encourages the definition of countermeasures that countries will be able to adopt concerning non cooperative jurisdictions;
- invites all jurisdictions to adopt international standards in the sectors of prudential regulations, and against money laundering and terrorism financing.