



Global Forum on Transparency and Exchange of Information for Tax Purposes

**Tbilisi, Georgia
2-4 November 2016**

Statement of Outcomes



1. On 2-4 November 2016, over 220 delegates from 85 jurisdictions and 12 international organisations and regional groups came together in Tbilisi, Georgia, for the 9th meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum). The Global Forum welcomed Chad, Egypt, Guyana, Kuwait, Lebanon, Maldives, Moldova, Paraguay and Togo as new members which have joined since its last meeting, bringing its membership to 137.

2. In the backdrop of increased political attention to tax transparency, delegates discussed a wide range of topics with the following key outcomes:

- Recognition of the achievements of those committed to lead and begin automatically exchanging financial account information in 2017 under the Global Forum's Automatic Exchange of Information (AEOI) Standard. Almost all of these jurisdictions have the necessary domestic and international legal frameworks in place and their financial institutions are currently collecting the information to exchange next year. Good progress has also been made by those committed to start exchanging in 2018, although there is work to do over the coming months to ensure a level playing field. To that end, the Global Forum agreed to increasingly detailed monitoring and reporting of delivery against commitments, including assessments of whether agreements are being put in place with all interested appropriate partners. Assistance is available to all.
- Finalisation of the first round of peer reviews on the Exchange of Information on Request (EOIR) Standard. The last ratings of the first round were assigned, and the final peer review reports were published. The results are very encouraging, with 99 jurisdictions out of a total of 116 jurisdictions which have received ratings being rated as Compliant or Largely Compliant, a number of which have made improvements since their initial rating.
- Agreement to take forward further work on beneficial ownership. Firstly, in recognition of it as a key element to both the Global Forum's EOIR and AEOI standards, ensuring a particular focus on legal and beneficial ownership under the next round of EOIR reviews and in the development of the review process for AEOI. Secondly, through closer and ongoing cooperation with the Financial Action Task Force (FATF), which will be invited to be an observer to the Global Forum. Thirdly, by developing examples on the effective implementation of the beneficial ownership requirements, in close cooperation with the FATF and the OECD, and providing technical assistance.
- The Global Forum reaffirmed its role as the leading international body on issues of transparency and exchange of information for tax purposes. In order not to undermine the efforts made by jurisdictions to comply with its standards, a call was made for all initiatives relating to tax transparency, such as the listing of non-cooperative jurisdictions, to be fully aligned with the work of the Global Forum, including the results of the fast-track review process. Communication and cooperation between the Global Forum and other relevant bodies should be enhanced to ensure accurate, coherent and consistent recognition of the Global Forum's work and increase its overall effectiveness.
- Reiteration of the pledge to support developing countries in benefitting from the international tax transparency environment. Tailored assistance with the involvement of the Global Forum Secretariat, international and regional organisations as well as other Global Forum members has resulted in EOIR becoming an important tool to mobilise domestic resources in many developing countries. As they are now beginning to catch up in numbers of agreements signed, they were encouraged to ratify them quickly and use them to make more requests to fully realise the potential of exchange of information. Developing countries were also encouraged to take steps towards implementing the AEOI Standard as soon as practicable.

3. Further details on the outcomes of the meeting are set out below.



Automatic Exchange of Information (AEOI)

4. Following the Global Forum's call for all jurisdictions except developing countries without financial centres to commit to implement the AEOI Standard in time to commence exchanges in 2017 or 2018, 101 jurisdictions have now made this commitment (see Annex 2 for the status of commitments). The focus is now on the delivery of the commitments made in order to ensure a level playing field. A "staged approach" has been adopted, consisting of various modules designed to monitor, assess and support the timely delivery of each key aspect of the implementation of the AEOI Standard.

5. Members examined the latest results of the real-time monitoring process which show significant progress in implementation by those committed to commence exchanging information in 2017. Almost all jurisdictions have the international legal framework in place to exchange the information as well as the domestic laws in place to ensure the collection of the data by financial institutions, which they are already doing to be ready for the information to be reported and exchanged in 2017. With respect to those commencing exchanges in 2018, good progress has been made but there is still work to do to deliver on the commitments made. The Global Forum therefore agreed that the monitoring and reporting process should continue in increasing detail to ensure the delivery of a level playing field. To identify any gaps at an early stage, the Global Forum asked the AEOI Group to deliver a monitoring report by the end of the year on the progress made by all committed jurisdictions in relation to the putting in place of their domestic legislative frameworks and agreements with all interested appropriate partners within the agreed timetables.

6. An Expert Panel drawn from member jurisdictions has carried out preliminary assessments of the confidentiality and data safeguards framework of more than 80 jurisdictions, with the remainder to be finalised shortly. Any gaps identified will need to be addressed, with support and assistance being provided by the Global Forum Secretariat as necessary. The Global Forum has also started assessing the domestic legal frameworks requiring financial institutions to collect and report the data of each implementing jurisdiction. This risk-based gap analysis focuses on the key building blocks of the AEOI Standard which, if not legislated correctly, could undermine its effectiveness. Members agreed on a process to assess whether agreements are being put in place with all "interested appropriate partners" (being those interested in receiving information and which meet the required standards in relation to confidentiality and the proper use of data), a key element to the commitments made and to the delivery of a level playing field. The staged approach also has a module covering the IT and administrative aspects of AEOI, which are supported by the Common Transmission System (CTS) currently being developed. Anticipating the CTS becoming operational before mid-2017, the Global Forum agreed on a high-level governance framework and a funding structure for the user fees.

7. Following on from, and building on each of the modules of the staged approach, the Global Forum will carry out comprehensive reviews assessing the effectiveness of the implementation of the AEOI Standard. This will be done once sufficient data has been exchanged to assess effectiveness. In the meantime, the Global Forum asked the AEOI Group to continue to deliver the staged approach, begin to develop the framework for the comprehensive reviews, including in relation to ensuring compliance by financial institutions, and to continue to provide support to jurisdictions where necessary. Considering the extensive work to be carried out in monitoring progress on implementation of the AEOI Standard through the staged approach, the Global Forum agreed to extend the mandate of the AEOI Group for another three years until the end of December 2019.

Exchange of Information on Request (EOIR)

8. The Global Forum completed its first round of peer reviews of the EOIR standard and the assignment of compliance ratings in November 2016. With 38 new reviews completed since its last meeting, the Global Forum has published a total 253 peer review reports, comprising of 98 Phase 1 reviews, 86 Phase 2 reviews, 27 Combined Phase 1 and Phase 2 reviews and 42 Supplementary reviews. Outcomes of the first round show that the EOIR standard is already substantially implemented throughout the world. 99



jurisdictions have achieved Compliant or Largely Compliant ratings. 12 jurisdictions have been rated “Partially Compliant”, and 2 jurisdictions “Non-Compliant” on the basis of their EOIR reviews. Many of these jurisdictions are working assiduously to improve their ratings.

9. At its plenary meeting in Berlin in 2014, the Global Forum agreed that jurisdictions that still did not have in place elements critical to ensuring an effective exchange of information in their legal and regulatory framework more than two years after their Phase 1 review would be rated overall “Non-Compliant” without undergoing a Phase 2 review unless they were able to show sufficient progress through a supplementary review. At the time of the Barbados Global Forum plenary in 2015, a number of jurisdictions were still going through this process and it was decided to postpone assigning final ratings for any of these jurisdictions until the supplementary process was complete for all of them. Since this process is now complete, the Global Forum has assigned an overall “Non-Compliant” rating to three jurisdictions that have been unable to demonstrate the required level of progress. A summary of all ratings assigned in the first round of EOIR reviews is included in Annex 3.

10. Earlier this year, the G20 called on all jurisdictions to upgrade their Global Forum rating to a satisfactory level by the G20 Summit in July 2017 and subsequently endorsed the criteria developed by the OECD to identify non-cooperative jurisdictions in terms of tax transparency. To enable jurisdictions to respond to this call, the Global Forum adopted a special fast-track procedure to enable it to evaluate, on a provisional basis, progress made by jurisdictions in implementing the 2010 EOIR Standard. Jurisdictions that are able to demonstrate that they have made sufficient progress such that it is likely their overall rating would be upgraded, will be considered to have achieved this rating on a provisional basis. Although rigorous, the fast-track process is not equivalent to a full peer review and so all jurisdictions that will have made sufficient progress will then be scheduled for a full peer review under the 2016 EOIR standard in the second half of 2017. The Global Forum encouraged its members to demonstrate the progress they have made through the fast-track process. The Marshall Islands and Panama indicated that they would shortly apply for the fast-track review process to improve their rating.

11. The new round of reviews of the EOIR standard against strengthened terms of reference, which includes a requirement that beneficial ownership information be available, has been launched. The first results of the reviews of the second round are expected to be published in August 2017.

12. A revised procedure for identifying non-members of relevance to the work of the Global Forum was agreed by the Global Forum. The purpose of a review of non-members is to prevent jurisdictions from gaining a competitive advantage by refusing to implement the standards or participate in the Global Forum.

Technical Assistance

13. With more than half of its membership comprised of developing countries, the technical assistance work of the Global Forum continues to increase in scope and depth. It is now an inextricable part of the Global Forum’s activities strongly supported by international organisations, donor agencies and member jurisdictions. The Global Forum stressed the importance of sustaining this support as work cannot continue at current levels without it.

14. The main themes now underlying the Global Forum’s technical assistance activities are: a regional focus, an approach tailored to the needs of each jurisdiction, a longer term perspective to build a legacy of effective cooperation and a whole of government engagement covering both the political and technical levels. These are reflected in a number of new programmes introduced during 2016 which were welcomed by members. Among these are a new initiative by Inter American Development Bank (IDB), CIAT and the Global Forum to help jurisdictions in the Latin American and Caribbean region implement the international standards of automatic exchange and exchange of information on request and a 2-3 year induction programme which is offered to all new developing country members. The programme aims to engage Finance Ministries as well as tax administrations in the participating jurisdictions. It is based on an agreed



roadmap which sets out the steps needed to be taken to reach full implementation of the international standards.

15. As the Africa Initiative moves into its third year the Global Forum encouraged its African members leading this work to use the EOI relationships they now have to make more requests as it is the combination of improved global transparency with domestic efforts to tackle tax evasion that gives international cooperation its real potency. Welcoming the progress to date, the Global Forum also called for the Africa Initiative to be extended.

16. Developing countries that are not engaged in automatic exchange of information were also urged to use the opportunity that now exists, and the support that is available, to begin to do so, for example through training programs and pilot projects.

Governance and budget

17. As South Africa stepped down as a PRG member, the Global Forum agreed that Romania will be a PRG member for the period 2017-2020. The Global Forum also agreed to extend the terms of the Chair and Vice Chairs of the AEOI Group for another year until the end of 2017.

18. In the last meeting under his chairmanship, Mr. Kosie Louw from South Africa was praised for his steady leadership of the Global Forum's work and his ability to build consensus among the members in the past four years. Members thanked him for the tremendous contributions and looked forward to his successor, Ms. Maria-José Garde from Spain, to lead the Global Forum's work in her term as Global Forum Chair from 2017-2020.

19. An intermediate financial report for 2016 was considered and the Global Forum adopted the budget proposals for 2017 and 2018. As a result of the expansion of its work, the Global Forum's expenditure has been higher than its income in the past two years. These shortfalls have been absorbed by the available surplus, but the expectation is that this will no longer be possible in 2018. It was therefore agreed to apply an inflation adjustment to the membership fees from 2018 onwards, and to re-examine the membership fees as a whole in 2017 taking into account the financial situation at that time.

Next Steps

20. The key focus in 2017 will be the finalisation of the implementation of the AEOI Standard by all committed jurisdictions, assessing progress made on EOIR by jurisdictions with a rating of Non-Compliant or Partially Compliant through the fast-track review process as well as publication of the first peer review reports of the second round of EOIR reviews. The work on beneficial ownership and support for small and developing country members will also continue to be prioritised.

21. The Global Forum agreed that its next meeting will take place in October or November 2017, and looks forward to offers by member jurisdictions to host the meeting. Finally, the Global Forum thanked the Government of Georgia for its generous hospitality.



ANNEX 1: LIST OF PARTICIPANTS AT GLOBAL FORUM MEETING

TBILISI, GEORGIA

2-4 November, 2016

Antigua and Barbuda; Argentina; Austria; The Bahamas; Bahrain; Barbados; Belgium; Belize; Bermuda; Brazil; British Virgin Islands; Bulgaria; Cameroon; Canada; Cayman Islands; Chile; China (People's Republic of); Colombia; Cook Islands; Costa Rica; Denmark; Dominican Republic; Estonia; Finland; France; Georgia; Germany; Ghana; Gibraltar; Guernsey; Hong Kong (China); Hungary; India; Indonesia; Ireland; Isle of Man; Italy; Japan; Jersey; Kazakhstan; Kenya; Korea; Kuwait; Latvia; Liechtenstein; Lithuania; Luxembourg; Macao (China); Malaysia; Malta; Marshall Islands; Mexico; Moldova; Monaco; Netherlands; Norway; Pakistan; Panama; Paraguay; Peru; Poland; Portugal; Qatar; Romania; Russia; Saint Kitts and Nevis; Samoa; San Marino; Saudi Arabia; Senegal; Seychelles; Singapore; Slovak Republic; South Africa; Spain; Sweden; Switzerland; Trinidad and Tobago; Turkey; Turks and Caicos Islands; Uganda; United Arab Emirates; United Kingdom; United States; Uruguay.

African Tax Administration Forum (ATAF); Inter-American Center of Tax Administrations (CIAT); Centre de Rencontres et D'Etudes des Dirigeants des Administrations Fiscales (CREDAF); Commonwealth Secretariat; European Bank for Reconstruction and Development (EBRD); European Commission (EC); European Investment Bank (EIB); Financial Action Task Force (FATF); International Finance Corporation (IFC); Organisation for Economic Co-operation and Development (OECD); United Nations (UN); World Bank Group (WBG).



ANNEX 2: STATUS OF AEOI COMMITMENTS

The table below summarises the responses of Global Forum members that were asked to commit to the new standard.¹

JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2017 (54)

Anguilla, Argentina, Barbados, Belgium, Bermuda, British Virgin Islands, Bulgaria, Cayman Islands, Colombia, Croatia, Curaçao, Cyprus², Czech Republic, Denmark, Estonia, Faroe Islands*, Finland, France, Germany, Gibraltar, Greece, Greenland*, Guernsey, Hungary, Iceland, India, Ireland, Isle of Man, Italy, Jersey, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Montserrat, Netherlands, Niue, Norway, Poland, Portugal, Romania, San Marino, Seychelles, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Trinidad and Tobago, Turks and Caicos Islands, United Kingdom

JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2018 (47)

Albania, Andorra, Antigua and Barbuda, Aruba, Australia, Austria, The Bahamas, Bahrain, Belize, Brazil, Brunei Darussalam, Canada, Chile, China, Cook Islands, Costa Rica, Dominica, Ghana, Grenada, Hong Kong (China), Indonesia, Israel, Japan, Kuwait, Lebanon, Marshall Islands, Macao (China), Malaysia, Mauritius, Monaco, Nauru, New Zealand, Panama, Qatar, Russia, Saint Kitts and Nevis, Samoa, Saint Lucia, Saint Vincent and the Grenadines, Saudi Arabia, Singapore, Sint Maarten, Switzerland, Turkey, United Arab Emirates, Uruguay, Vanuatu

* *Faroe Islands and Greenland are not Global Forum members but have committed to AEOI.*

1. The United States has indicated that it is undertaking automatic information exchanges pursuant to FATCA from 2015 and has 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. They also 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.
2. Footnote by Turkey: The information in this document 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 recognises 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”.

Footnote 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 this document relates to the area under the effective control of the Government of the Republic of Cyprus.



ANNEX 3: JURISDICTION EOIR RATINGS

The table below summarises the overall ratings from the first round of EOIR reviews.

JURISDICTION OVERALL RATINGS FROM THE FIRST ROUND OF REVIEW	
Australia, Belgium, Canada, China (People's Republic of), Colombia, Denmark, Finland, France, Iceland, India, Ireland, Isle of Man, Japan, Korea, Lithuania, Mexico, New Zealand, Norway, Slovenia, South Africa, Spain, Sweden	Compliant
Albania, Argentina, Aruba, Austria, Azerbaijan, Bahamas, Bahrain, Barbados, Belize, Bermuda, Botswana, Brazil, British Virgin Islands, Brunei Darussalam, Bulgaria, Burkina Faso, Cameroon, Cayman Islands, Chile, Cook Islands, Cyprus, Czech Republic, El Salvador, Estonia, Former Yugoslav Republic of Macedonia, Gabon, Georgia, Germany, Ghana, Gibraltar, Greece, Grenada, Guernsey, Hong Kong (China), Hungary, Israel, Italy, Jamaica, Jersey, Kenya, Latvia, Lesotho, Liechtenstein, Luxembourg, Macao (China), Malaysia, Morocco, Malta, Mauritania, Mauritius, Monaco, Montserrat, Netherlands, Nigeria, Niue, Pakistan, Philippines, Poland, Portugal, Qatar, Romania, Russia, San Marino, Senegal, Singapore, Slovak Republic, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Saudi Arabia, Seychelles, Switzerland, Turks and Caicos Islands, Uganda, United Kingdom, United States, Uruguay	Largely compliant
Andorra, Anguilla, Antigua and Barbuda, Costa Rica, Curaçao, Dominica, Dominican Republic, Indonesia, Samoa, Sint Maarten, Turkey, United Arab Emirates	Partially compliant
Marshall Islands, Panama	Non-compliant
Guatemala*, Federated States of Micronesia*, Trinidad and Tobago*	
JURISDICTIONS NOT YET RATED BECAUSE THEY CANNOT MOVE TO PHASE 2	
Kazakhstan**	

* This jurisdiction has been rated overall Non-Compliant on an exceptional basis without having undergone a Phase 2 review as elements critical to ensuring an effective exchange of information in its legal and regulatory framework remained not in place for more than 2 years after its Phase 1 review. Individual ratings for each element are not assigned for the jurisdiction.

** Kazakhstan has until 30 November 2016 to request an acceleration of its new review. If it does not make such a request, or if the request does not demonstrate that it has made sufficient progress, then it will be rated Non-Compliant.