

GUERNSEY PLAYS ITS PART IN OECD SUCCESS AGAINST TAX EVASION

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Guernsey Finance Chief Executive Dominic Wheatley reflects on the findings of the latest OECD tax report to world leaders.

Further confirmation of the approach currently being taken by supranational authorities and international financial centres to share information and tackle tax evasion has been released by the OECD.

In its [report](#) to the latest G20 leaders meeting in Osaka, Japan, OECD Secretary-General Angel Gurría updated member states on the G20 International Taxation agenda, including tax transparency, base erosion and profit shifting (BEPS), and tax digitalisation.

It is yet more evidence that the present clean-up of tax and financial transparency is working. Guernsey plays a leading role in this, recognising appropriate measures and wishing to be a responsible and contributing global citizen. But this leaves me again questioning the validity of public registers as a route to achieving anything more than a public snoop around the activities of a private individual.

The OECD makes its own approach clear:

“Ten years ago, bank secrecy and opaque structures were used and abused by too many taxpayers across the world to hide their assets and income from tax administrations. Thanks to the efforts of the G20, bank secrecy for tax purposes no longer exists and all financial centres are now engaged in the automatic exchange of financial information (through the OECD’s Common Reporting Standard – CRS),” reads the report.

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Exchange of information agreements have grown from 40 in 2008 to more than 4,500 in force in 2018, with 90 jurisdictions implementing CRS. The report says that information on 47 million offshore accounts – valued at 4.9 trillion euros – has been exchanged for the first time.

“This level of transparency in tax matters is unprecedented and ensures that those assets will never escape detection.”

The report claims that these moves have recovered taxes “which have been defrauded for too long”, now totaling 95 billion euros. The OECD says that with CRS now fully implemented, this figure should stabilise in years to come.

On BEPS, the report describes implementation of BEPS standards “to combat tax avoidance” as “broad, consistent and continuing”.

Guernsey is rightly proud of its record in combating harmful tax practices, and has been an enthusiastic early

adopter of CRS. CRS has been described as the most significant outcome of the drive towards increased transparency.

The FBI recently highlighted to American senators the “immense value” of Guernsey’s information sharing in helping to combat financial crime. It described information exchange agreements as an example of how to fight financial crime.

The majority of clients today are accepting the global push for more transparency in financial affairs. Carrying on business in a well-regulated jurisdiction such as Guernsey, they are already familiar with compliance requirements, and so information is well-maintained and reported.

Guernsey will continue to take a constructive approach towards tackling tax evasion and secrecy and promoting transparency, and it is good to see this acknowledged by organisations such as the OECD.

WE ARE GUERNSEY is the brand under which Guernsey Finance promotes the island's financial services sector internationally. Guernsey Finance - the promotional agency for the island's finance industry internationally - is a joint industry and Government initiative responsible for the promotion of Guernsey. Under the leadership of Chief Executive Dominic Wheatley, the agency ensures that the core values and competencies of the island's finance sector are accepted and respected by the global community and that financial business development flows are enhanced.

PO Box 655, St Peter Port,
Guernsey, GY1 3PN

+44 (0)1481 720071

INFO@WEAREGUERNSEY.COM

