



SUBCOMMITTEE ON INCREASING TAX TRANSPARENCY.

CO-COORDINATOR'S REPORT – 29TH SESSION

Progress Report

- At the twenty-eighth session, the Subcommittee presented a draft paper to the Committee addressing the three issues that the Committee at the twenty-seventh session had approved for prioritizing in moving the Subcommittee's work forward. These were:
 - (1) Exchange of information (EOI), including practical guidance for countries new to EOI;
 - (2) Use of exchanged information for non-tax purposes; and
 - (3) Assistance in collection.

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The Subcommittee has now drafted a four-part paper (Annex 1) that gives prominence to the issues laid out in the Committee's mandate, and it is hereby submitted for **second reading and discussion**. Its contents are as outlined below;

- **Part one – Introduction to Tax Transparency.** This part gives an overview of tax transparency and addresses the following issues;
 - i) Importance & Potential Benefits of increased Tax transparency
 - ii) Ongoing work by various organizations on increasing tax transparency. The organizations featured participate in the work of the Subcommittee and in addition to the United Nations include, The Global Forum, CIAT, ADB, ATAF and the World Bank Group

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- **Part two-** This part deals Limitations and Challenges faced by jurisdictions in efforts to increase tax transparency. The part aims at highlighting the hurdles countries face in trying to achieve tax transparency. It is divided into two chapters:
 - i. Chapter 2: General limitations and challenges.** This Chapter examines the general limitations and challenges faced in trying to achieve tax transparency.
 - ii. Chapter 3: Limitations and challenges identified by jurisdictions.** Countries involved in the UN tax work gave feedback on the challenges they faced in the implementation of international standards in exchange of information and the gaps existing in the available guidance, and this chapter delves into this.

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- **Part three: Suggested Solutions to Identified Limitations and Challenges.** This part outlines the key solutions to overcoming the barriers to enhancing tax transparency identified in part two, broken down into two chapters.
 - i. **Chapter 4** addresses solutions to the general limitations and challenges with emphasis on exchange of information as an effective means of promoting tax transparency.
 - ii. **Chapter 5** addresses solutions to limitations and challenges identified by jurisdictions participating in the UN work.

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- iii. **Part four: Practical Guidance for Jurisdictions New to Exchange of Information for Tax Purposes.** This part provides guidelines to countries that are new to Exchange of Information and addresses the following issues;
- a) Raising Awareness on EOI within the Tax Authority
 - b) Reforming the legal and regulatory frameworks for exchange of information
 - c) Institutional Readiness and Capacity Building
 - d) Operationalising EOI Mechanisms
 - e) Stakeholder engagement and information
 - f) Participating in the work of international bodies
 - g) Monitoring and evaluating the impact of exchange of information.
 - h) Preparing for peer reviews by international bodies.

Next steps

- Subject to the feedback from this session, the Subcommittee will further work on this paper with an aim for possible approval at the 30th Session.

THE END