



# **SUBCOMMITTEE ON INCREASING TAX TRANSPARENCY.**

## **CO-COORDINATOR'S REPORT – 30<sup>TH</sup> SESSION**

# Progress Report

- At the twenty-ninth session, the Subcommittee presented a draft paper to the Committee for a second reading and discussion, addressing the three issues that the Committee had, at the twenty-seventh session 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.

# Progress Report

The Subcommittee now submits the draft guide (Appendix) giving prominence to the issues laid out in the Committee's mandate, for **approval**. Its contents are as outlined below;

- **Part I – 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) General context for exchange of information for tax purposes
  - iii) 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

# Progress Report

- **Part II-** 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.

# Progress Report

- **Part III: 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 and also addresses improving Beneficial Ownership transparency as well as Building Capacity in Tax Authorities.
  - ii. **Chapter 5** addresses solutions to limitations and challenges identified by jurisdictions participating in the UN work, focusing in particular on Cross-Border Assistance in Tax Collection, Use of Treaty Exchanged Information For Non-Tax Purposes and Monitoring and evaluating the impact of exchange of information.

# Progress Report

iii. **Part IV: 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.

# Progress Report

## Illustrations and country Experiences

- The Subcommittee has included as part of the various chapters, boxes outlining country experiences and giving various examples on the issues addressed.

# Next steps

- The subcommittee now submits this draft guide for **approval.**

# Note of Thanks

- The co-coordinators would like to thank the subcommittee members for their diligence and input into the development of this guidance. In particular:
  - ADB - Sathi Meyer-Nandi
  - ATAF – Thulani Shongwe & Reem Abuzied
  - CIAT – Gonzalo Arias
  - Global Forum – Hakim Hamadi, Clement Migai, Raynald Vial & Miguel Morelos
  - World Bank – Ana Rodriguez & Renata Fontana
  - Femi Edgal - Nigeria
  - Joseph Balikuddembe – Uganda
  - Joyce Mwangi – Kenya
  - Rajat Bansal – India
- We are grateful for the support of Committee members as well; Aart Roelofsen & YoungJoo Lee and the Secretariat Focal Point, Josephine Muchiri.



# ***The End***