

**Second Conference on the Fight against International Tax Fraud and Evasion
By promoting Transparency and Exchange of Information in Tax Matters
Berlin – 23 June 2009**

Summary of Conclusions

1. At the invitation of Mr Peer Steinbrück, Minister of Finance of Germany, and of Mr Eric Woerth, Minister for the Budget, Public Accounts and the Civil Service of France, ministers and senior officials of 19 countries came together in Berlin on 23 June 2009 in order to review the progress that has been made with respect to the implementation of the OECD standard on transparency and exchange of information in tax matters since their last meeting held on 21 October 2008 in Paris.
2. They emphasised that transparency and exchange of information in tax matters are the basis for a fair competition in a global economy and an equitable tax burden weighing on honest taxpayers. They confirmed that the fight against any form of tax offences is a shared responsibility of all countries and territories.
3. They welcomed recent endorsements of the OECD standard on exchange of information by many significant financial centres, including four OECD member countries. They further noted that since the October meeting all 84 jurisdictions covered by the OECD's Global Forum assessment have committed to the standard.
4. They also welcomed the adoption of the OECD standard by the UN Committee of Experts on International Cooperation in Tax Matters on 22 October 2008, which underlined the universal character of the standard.
5. They noted that in its action plan of 15 November 2008, the G20 considers the adherence by all countries to the standard of the OECD to be an important precondition for preserving the integrity of financial markets and that the G20 leaders at their meeting on 2 April 2009 were determined to take action against jurisdictions that fail to implement their commitment swiftly. They also noted that, at their meeting on 13 June 2009, the G8 Finance Ministers urged further progress in the implementation of the OECD standards.
6. They expressed the wish for the OECD Global Forum on Taxation to be tasked with developing a more precise monitoring, including the corresponding procedures, of the standards of transparency and exchange of information in tax matters that should be based on peer review and rating, to encourage greater conformity of implementation.
7. Being aware that tax fraud and evasion also have damaging effects on developing countries, they consider that further efforts are required to enhance tax compliance in these countries and to enable them to benefit from the progress made in tax cooperation.
8. While encouraging all jurisdictions to implement the OECD standard on exchange of information, the countries convened today unequivocally support action to be taken where a jurisdiction refuses to implement its commitment, in particular in cases where time has elapsed since the commitment was made.

In view of the above, the participating countries:

9. RECOGNISE the significant progress that has been made since they met in October 2008. In particular, all major financial centres are committed to the OECD and UN standards.

10. EXPECT a swift and effective implementation of the standards of transparency and exchange of information in tax matters.
11. REMIND the jurisdictions that committed to the latest OECD standards that a refusal to conclude agreements or protocols with OECD member countries would be considered as a lack of willingness to fully implement their commitment.
12. AGREE to explore the possibility of using new tools, including multilateral negotiations or instruments, in order to speed up the process and to help developing countries getting full access to it.
13. ARE AWARE that implementation of the standards must be accompanied by reviews to ensure effective operation of the exchange of information. To that end, they ARE DETERMINED to assess their practices both as requesting and as requested party and those of their partners.
14. Also ENCOURAGE the OECD and non-OECD countries to work together in a reformed and expanded Global Forum, in order to set up a multilateral, impartial and transparent monitoring and peer review process of all jurisdictions that ensures effective implementation of the standards on a global basis. The outcome of the review process for each jurisdiction should be published.
15. ARE DETERMINED to take initiatives to enhance voluntary compliance of their taxpayers by facilitating disclosure of hidden assets and income.
16. ARE also DETERMINED to promote the best practices to protect their tax base against those countries and territories that are not implementing the OECD standards in a timely and effective manner. Defensive measures should be applied to prevent undue delays in the implementation. Up to each country, these defensive measures can include:
 - increased withholding taxes in respect of a wide variety of payments made to non-cooperative jurisdictions;
 - denial of deductions in respect of expense payments to payees resident in a non-cooperative jurisdiction;
 - termination of treaties with countries and territories which refuse effective exchange of information.
17. UNDERLINE that they will consider a co-ordination of their action as regards some of the measures aiming at protecting their tax base against those countries and territories that are not implementing the OECD standards timely and effectively, such as:
 - increased disclosure requirements, on the part of national and foreign financial institutions and collective investment vehicles, to report transactions involving non-cooperative jurisdictions;
 - denial of the participation exemption;
 - asking international financial institutions to review their investment policy with respect to non-cooperative jurisdictions.
18. NOTE the importance of the availability of information regarding beneficial owners of bank accounts, investment vehicles and other financial assets for taxation purposes, and URGE the OECD, the FATF and the EU to explore ways to facilitate access to information in relation to trusts, foundations, shell corporations and other arrangements that may be used for tax evasion purposes.

19. EMPHASISE the importance of the political support in enforcing transparency and exchange of information for tax purposes with a view at promoting a healthy international financial system as well as a fair international allocation of the tax base.