

<p style="text-align: center;">Conference on the fight against international tax evasion and avoidance Improving transparency and stepping up exchange of information in tax matters Paris – 21 October 2008</p>
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Summary of Conclusions

1. On the initiative of Mr Eric Woerth, Minister for the Budget, Public Accounts and the Civil Service of France, and Mr Peer Steinbrück, Minister of Finance of Germany, 17 countries have come together in Paris on the 21st October to discuss how to respond to offshore non-compliance with their tax laws.
2. They note that recent scandals in Europe and elsewhere have now implicated more than 40 countries around the world and highlighted the impact that tax havens and secretive jurisdictions are having on their economies. They also underline that investors located in jurisdictions providing an opaque environment have added to the current financial crisis and that the need for public funds resulting from this crisis makes the fight against the loss of tax revenue more important than ever.
3. A lack of transparency and exchange of information provides an environment that facilitates cross-border tax fraud and evasion. As a result, investment decisions may be prompted by the will to evade taxes instead of the search for economic efficiency. This creates distortions of competition. Furthermore, tax fraud and tax evasion by few reduce the revenue available for funding vital public services or increase the tax burden weighing on honest taxpayers. Moreover, not only is it a concern for developed countries, but it also undermines developing countries' abilities to strengthen their public finances and modernise their economy.
4. The Organisation for Economic Co-operation and Development (OECD) work on transparency and exchange of information is central to efforts in this area. But, while many countries and territories identified as tax havens made commitments to transparency and the exchange of information, implementation of these international standards through the signature of Tax Information Exchange Agreements has been slow.
5. In order to treat fairly countries and territories identified as tax havens, the OECD extended its transparency and exchange of information requirements by amending Article 26 of its model tax convention. However, a few OECD member countries and some other significant financial centres still do not implement them in their bilateral conventions.
6. Therefore, the countries convened here today favour action against jurisdictions whose legal and administrative frameworks facilitate tax fraud and evasion.
7. In view of the above, the participating countries:
8. **ARE VERY CONCERNED** that the overall progress in implementing the present international standards on transparency and exchange of information has been slow.
9. **RECOGNISE** the efforts made by certain jurisdictions that have set out a new direction for their financial centres and have signed Tax Information Exchange Agreements, which constitute effective instruments for fighting international tax fraud and evasion.
10. **URGE** all countries and territories that have not committed to the OECD standards yet, including significant financial centres, to do so.
11. **INSIST** that all jurisdictions that have not, despite their commitment, implemented the OECD standards to do so.

12. **SUPPORT** the principle of converging responses to counteract tax fraud and evasion, through the adoption of measures appropriate to each country and a co-ordination of some of their actions. In particular, the participating countries express their willingness to use the latest version of the Article 26 of the OECD Model Tax Convention when initialling new double taxation agreements and to consider in due course terminating some of their existing treaties, in case those could not be amended accordingly.
13. **STRONGLY ENCOURAGE** the current negotiations aiming at improving the effectiveness of the EU Savings Directive, including the extension of its geographical scope, and **UNDERLINE** that the continuation of the transitional withholding tax mechanism applied by a few States should be reconsidered.
14. **CALL** on aid agencies to give extra weight to the principles of tax transparency and information exchange when designing their aid programs.
15. **ASK** the OECD to establish a methodology to provide a clear distinction between the countries and territories which have substantially implemented the OECD standard on exchange of information and those which have not, and to publish its conclusions in 2009. The participating countries also **ASK** the OECD to require from States which want to join the Organisation to implement prior to membership the OECD principles on transparency and exchange of information.
16. The participating countries **SEE** this meeting as providing the political support needed for a successful conclusion of both the OECD and EU initiatives. They will meet again before the summer 2009 in Berlin in order to **REVIEW** the progress made and to **PROVIDE** further assistance to countries to protect their tax base from jurisdictions that fail to meet the OECD standards on transparency and exchange of information.