

GLOBAL FORUM ON
**TRANSPARENCY AND EXCHANGE OF
INFORMATION FOR TAX PURPOSES**

Developing Capacities in Times of COVID-19

2021 GLOBAL FORUM CAPACITY BUILDING REPORT



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Preface

2020 represented an unprecedented turning point for our Global Forum's Capacity-Building programme. The pandemic affected both the delivery of our capacity-building activities with operational challenges and jurisdictions' ability to participate as they were - at the onset of the crisis - focusing on tackling its immediate consequences.

Our capacity-building activities could have been put on hold or scaled back in the face of such difficulties. A very different scenario unfolded though. First of all, demand for assistance from our developing members continued to grow, with jurisdictions designing post-pandemic strategies including the fight against tax evasion and illicit financial flows (IFFs) as means to mobilise domestic resources and support the recovery. Second, the Global Forum has demonstrated versatility by being able to respond to these increasing needs.

This is also a great indicator of the success of a collaborative effort. Our programme continued to expand and covered new areas to meet an increasing demand. The Secretariat developed innovative approaches that enriched its capacity-building programme with new toolkits and e-learning courses and contributed to further streamline its resources to deliver the best possible assistance to its members. The breadth and intensity of this programme was only made possible thanks to the financial support provided by donor partners, the involvement of member jurisdictions and the strong partnership built with technical partners.

As the Global Forum's capacity-building programme will reach its 10-year mark in 2021, its strategy will continue to evolve to build on improvements made during these challenging times and to ensure greater and sustained impact for the benefits of developing jurisdictions. Its upcoming strategy will also develop a more proactive approach to help developing jurisdictions identify their needs in a timely manner and work on the establishment of a rapid reaction mechanism that will allow for a more agile support as soon as gaps are identified.

These objectives will steer our efforts in the upcoming years. Our members have confirmed that capacity building is to remain one of the core duties of the Global Forum Secretariat. They remain strongly committed to make sure capacity building increases its impact by contributing to effective implementation of the transparency and exchange of information standards, and by ensuring developing members ultimately benefit from the standards by mobilising domestic resources to finance their development.

Developing Capacities in Times of COVID-19

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Abbreviations and acronyms

| | |
|----------------------|---|
| ADB | Asian Development Bank |
| AEOI | Automatic Exchange of Financial Account Information |
| AfDB | African Development Bank |
| ATAF | African Tax Administration Forum |
| AU Commission | African Union Commission |
| BEPS | Base Erosion and Profit Shifting |
| CRS-MCAA | Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information |
| EOI | Exchange of Information |
| EOIR | Exchange of Information on Request |
| FTA | Forum on Tax Administration |
| IDB | Inter-American Development Bank |
| IFF | Illicit Financial Flows |
| IOTA | Intra-European Organisation of Tax Administration |
| ISM | Information Security Management |
| MAAC | Convention on mutual administrative assistance in tax matters |
| PITAA | Pacific Islands Tax Administrators Association |
| WBG | World Bank Group |

Executive summary

The 2021 Capacity Building report provides an update on the Global Forum's capacity-building programme and outreach activities carried out in 2020. This report sets out the technical assistance and trainings activities provided in the context of the COVID-19 pandemic. Capacity-building activities relate to both the exchange of information on request and automatic exchange of financial account information standards.

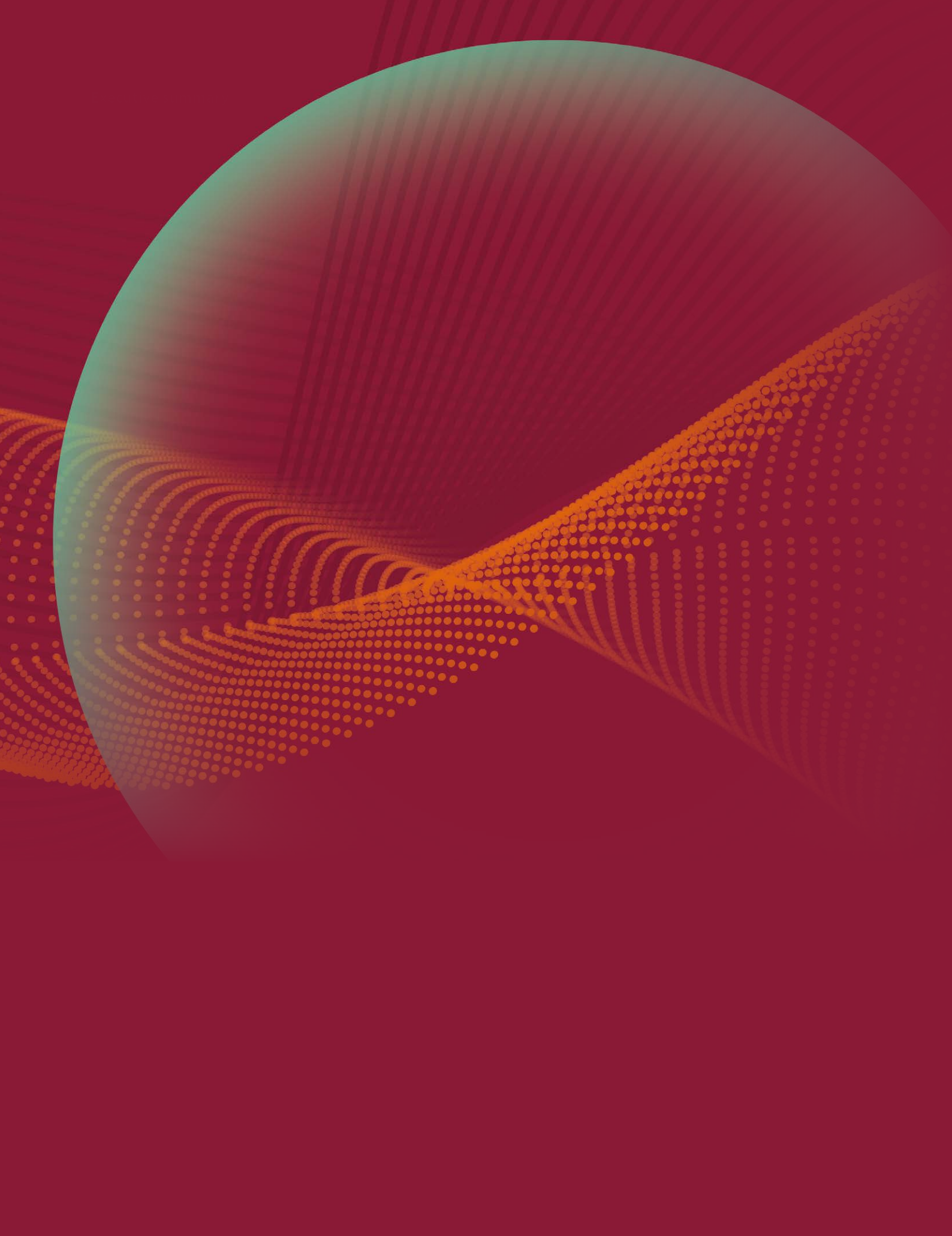
In response to the challenges posed by the pandemic, the Global Forum set up an Action Plan to best address the needs for assistance and support of its members, in particular developing countries, in a context of increased demand. Innovative methods of delivery emerged with new technologies and tools strengthening the assistance available to ongoing programmes. Synergies were fostered across capacity-building activities to achieve this goal.

In the meantime, members' engagement continued with new commitments to transparency standards, despite the impossibility to meet with decision-makers on the ground. New jurisdictions signed and ratified the Convention on Mutual Administrative Assistance in Tax Matters, committed to exchanging information automatically to a specific date and joined regional initiatives (Africa Initiative and Punta del Este Declaration).

Effective implementation and practical use of the standards continued in 2020 despite delays due to the lockdown measures. The desk-based assistance specifically focused on improving legal frameworks through the provision of country-level policy and legislative advice.

The three high-level objectives of the Global Forum Secretariat's capacity-building programme (widespread members engagement, effective implementation and practical use of the standards) aim at ensuring that more and more developing jurisdictions benefit from transparency and exchange of information for tax purposes to tackle offshore tax evasion and increase their revenues.

The Global Forum Secretariat's capacity-building programme will reach its 10-year mark in 2021. It is time to take stock of achievements and review the strategy for the future. The main objective is to improve the effectiveness of the support provided to members, taking into account their diversity and specific needs, resources available and the impact of actions on the ground.



Introduction

Whilst the scale of the COVID-19 crisis varies geographically, and members of the Global Forum are affected in different ways, the challenge is truly global in nature. The Global Forum Secretariat has been working to identify how best it can continue supporting jurisdictions in these difficult times.

The pandemic challenged the delivery of capacity-building support, especially as on-site activities had to be suspended. Trainings, high-level meetings, visits to prepare jurisdictions for their peer reviews and assistance in Information Security Management (ISM) and data safeguards have been impacted. Jurisdictions' capacity to participate in such activities has been also affected by their need to focus on other emerging priorities and difficulties to work remotely.

Nevertheless, the demand from Global Forum members for assistance is growing. Jurisdictions are designing post-pandemic strategies, which will likely include fighting tax evasion and illicit financial flows (IFFs) for fiscal consolidation. With tax transparency being a key component of the recovery, the appetite from tax officials for trainings increased. More broadly, jurisdictions are eager to continue delivering on their commitments in view of upcoming peer reviews on exchange of information on request (EOIR) and automatic exchange of financial account information (AEOI).

Against this background, the Secretariat has set up an ambitious COVID-19 Action Plan to ensure the continuity of its assistance and seized the opportunity to reflect and innovate. As onsite support could not be provided as from March 2020, the Secretariat accelerated the development of new tools to continue to assist its member jurisdictions. Legal framework and ISM assistance were provided through desk-based work, virtual trainings and videoconferencing. To support desk-based work and strengthen its technical assistance offerings more generally, the Secretariat developed various e-learning modules and toolkits.

This Action Plan for capacity building already demonstrated positive results. The Secretariat managed to ensure the continuity of its capacity-building activities, while increasing its support to jurisdictions.

- More than 4 200 officials from 155 jurisdictions and 9 international organisations were trained through 26 trainings organised in 2020, of which 23 were virtual. These virtual trainings were successful and resulted in very positive feedback from participants. They allowed for a broader attendance, reaching officials who would not have the opportunity to participate otherwise.
- Close to 3 400 officials took the e-learning courses developed by the Global Forum, including the beneficial ownership and EOIR modules released this year.
- Three new toolkits have been published.
- 70 jurisdictions benefitted from technical assistance activities.

Globally, developing countries have identified at least EUR 29 billion through voluntary disclosure programmes and offshore tax investigations since 2009.

The following sections provide an overview of capacity-building activities carried out by the Global Forum in 2020.

1 | COVID-19 Action Plan to deliver capacity-building

The COVID-19 pandemic challenged member jurisdictions and represented a turning point for capacity-building activities. To respond to the demand for support and prepare the recovery, the Global Forum Secretariat implemented an Action Plan focusing on remote assistance, virtual meetings and trainings, as well as new tools to sharpen the assistance delivered. These actions created synergies and allowed to deliver comprehensive support in all areas of work.



CHALLENGES FACED IN IMPLEMENTING THE EXCHANGE OF INFORMATION STANDARDS

Member jurisdictions, in particular the developing ones, faced challenges in implementing the exchange of information (EOI) standards due to the pandemic. Several jurisdictions faced challenges in the form of delays in parliamentary processes and legislation approval, disruptions in the functioning of the tax administration and other relevant institutions due to confinement measures, budgetary constraints and emergence of new priorities.

The pandemic also affected the delivery of the capacity-building programme of the Global Forum Secretariat. Travel bans and the generalisation of teleworking posed challenges to the delivery of some key technical assistance activities. On-site visits, which are critical to the preparation of EOIR peer reviews and AEOI pre-exchange confidentiality and data safeguards assessments, have not been possible since March 2020. In addition, face-to-face trainings and all in-country activities have been cancelled. Finally, engagement with high-level officials and policy-makers proved much more difficult.

Nonetheless, capacity-building activities have been delivered intensively in 2020, with new technologies and the development of new tools. The demand for support was particularly high, as jurisdictions were keen to meet their commitment to implement the transparency and EOI standards.

INNOVATIVE WAYS TO DELIVER CAPACITY-BUILDING ACTIVITIES

An action plan was designed and implemented to provide member jurisdictions with the assistance and support they needed. The delivery of capacity-building activities had to be reinvented. Innovative solutions were tested to maintain the assistance to members and support them in the best way possible during these challenging times.

- **Jurisdiction-specific technical assistance has been delivered remotely through desk-based support and video conferencing.** Communication with members was preserved through new technologies, and several platforms are being used on a daily basis to accommodate members' habits or limitations.
- **Trainings have become virtual.** Virtual classes on all relevant areas of transparency and EOI have been organised with specific material developed for this particular format.
- **Acceleration of the development of new tools such as e-learning courses and toolkits** has been a critical axis of the action plan.

The capacity-building work of the Secretariat focused mainly on the legal framework to prepare peer reviews, implement beneficial ownership requirements and support the setup of the AEOI legislation. Building on the synergies of the different tools, this desk-based assistance will ultimately strengthen the on-site work when it will resume.

Making trainings virtual

Trainings are central to raise awareness and build capacities in ministries of finance, tax administrations and beyond. They support legal and operational reforms needed to ensure transparency and effective EOI. They strengthen the capacities of competent authorities and auditors and allow them to make the best use of the standards to ensure domestic revenue mobilisation. **Between December 2019 and March 2020, three face-to-face trainings were attended by 160 officials.**

1. COVID-19 Action Plan

Health measures related to the pandemic naturally led to a shift to virtual trainings. These trainings allowed the Secretariat to meet the appetite of officials for skills development during the confinement. They also allowed to reach out those who would not have the opportunity to participate otherwise.

Virtual trainings had an unprecedented impact with more than 4 150 officials trained in 23 events, whether regional (16) or jurisdiction-specific (7). Multiple topics related to transparency and EOI were covered with a specific focus on beneficial ownership, which was the subject of eight dedicated events attended by close to 2 000 officials (see Annex 1).

Overall, virtual trainings have been positively assessed and they will continue to be an integral part of the Secretariat's capacity-building offer. In parallel with the deployment of virtual trainings, actions were undertaken to monitor and assess their efficiency (see Annex 2 and the figures hereafter). The main findings are as follows:

- **Virtual trainings are human resource intensive.** They require the management of a large number of participants to ensure a smooth and secure delivery. The content of the training has to be adapted to this format and new contents had to be developed to ensure a good interaction between trainers and participants and between participants.
- **New technologies, in which the Secretariat has invested, ensured a good level of participation of most of the attendees** with limited disruptions or connectivity issues, including for those from least developed jurisdictions.
- **Virtual trainings are a good complement to face-to-face trainings.** However, they have some limitations (e.g. for group work) and are not intended to replace face-to-face trainings.
- **Participants were very satisfied with the content and organisation of the virtual trainings delivered.** Average satisfaction rating was 4.4 out of 5 and participants indicated that their rating of knowledge increased from 2.8 to 4.1 out of 5 before, and after these trainings. Areas for improvement identified included the insufficient time allocated, connectivity issues and the wish of some participants to have follow-up face-to-face training. The Secretariat will work to continuously improve the quality of its virtual trainings.

Developing e-learning courses

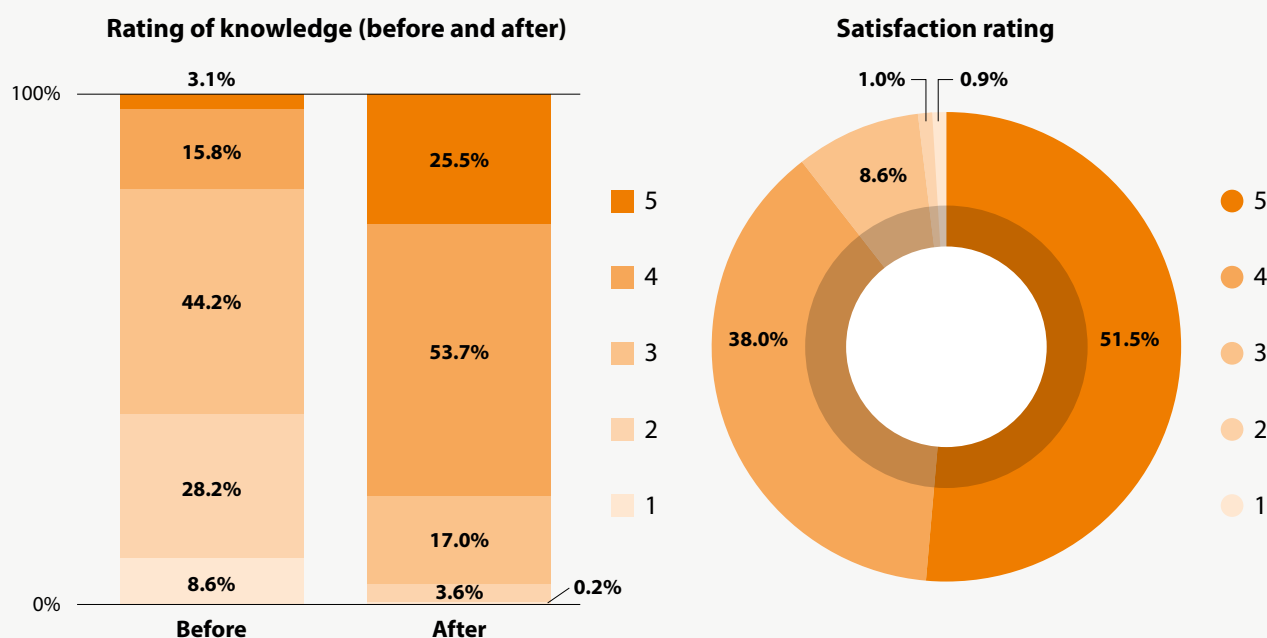
With close to 3 400 officials having taken them, e-learning courses are a great success.

The Secretariat and the Global Relations Programme of the OECD Centre for Tax Policy and Administration collaborate since 2019 to develop e-learning courses.

Close to 2 500 officials have taken the blended-learning module on the Global Forum since its launch in April 2019.¹ Participants are invited to follow this course prior to attending a face-to-face training.

Overall, virtual trainings have been positively assessed and they will continue to be an integral part of the Secretariat's capacity-building offer.

1. This e-learning is available in English, French and Spanish.



Two new e-learning courses have been released in 2020.² Prepared with the Asian Development Bank (ADB), a beneficial ownership course has been made available in July 2020 and has been already taken by more than 650 officials. An EOIR e-learning training dedicated to tax auditors, competent authorities and EOI units was released in October 2020 and has been taken by 240 officials so far.

This set of materials will be complemented with other e-learning courses in 2021, including on AEOI.

Delivering new toolkits

Developing toolkits is a key activity of the Global Forum Secretariat's capacity-building unit.³ The publication of the **Beneficial Ownership Implementation Toolkit**⁴ in March 2019 by the Global Forum and the Inter-American Development Bank (IDB) was a major achievement that all Global Forum members very much welcomed.

A Toolkit for Becoming a Party to the Convention on Mutual Administrative Assistance in Tax Matters (MAAC)⁵ was released in July 2020, to help with the setting-up of a sufficiently wide EOI network, which is critical for many developing countries. The toolkit outlines the benefits of joining the MAAC which provides a multilateral legal basis for EOI with 141 jurisdictions to date. It also offers an overview of its main provisions, its relationship with other treaties and legal instruments, and a step-by-step guide to becoming a Party, from the preparation stage to the signature and deposit of instruments of ratification, acceptance or approval.

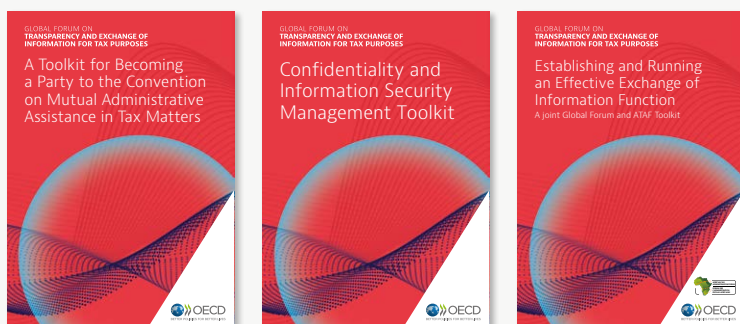
2. These two e-learning courses are available in English. French and Spanish versions are scheduled for early 2021.

3. All Global Forum's toolkits are available in English, French and Spanish at <https://www.oecd.org/tax/transparency/documents/key-publications-and-documents.htm>.

4. Global Forum Secretariat and IDB (2019), A Beneficial Ownership Implementation Toolkit, available at <http://www.oecd.org/tax/transparency/documents/beneficial-ownership-toolkit.pdf>.

5. The toolkit was prepared with the support of the Secretariat of the Co-ordinating Body of the Convention and the OECD's Directorate for Legal Affairs. Global Forum Secretariat (2020), A Toolkit for Becoming a Party to the Convention on Mutual Administrative Assistance in Tax Matters, available at http://www.oecd.org/tax/transparency/documents/MAAC-toolkit_en.pdf.

1. COVID-19 Action Plan



These toolkits provide background information and practical solutions to members, and in particular to developing jurisdictions that intend to establish an EOI Unit and/or commit to AEOI. Other toolkits will be developed in 2021.

Compliance with the extensive confidentiality and ISM requirements is a preliminary condition to AEOI. On 1 December 2020, the **Confidentiality and Information Security Management Toolkit**⁶ was published to ensure more developing countries can benefit from AEOI. It provides detailed guidance on implementing the building blocks of a legal and ISM framework that adheres to internationally recognised standards or best practices, as required by the AEOI standard, and ensures the confidentiality of the exchanged information. The toolkit also provides guidance on establishing effective processes to address potential confidentiality breaches.

On 14 December 2020, a Toolkit on Establishing and Running an Effective EOI Function⁷ was released with the African Tax Administration Forum (ATAF). It aims at assisting jurisdictions in establishing or improving their EOI units' operation. It underlines policy considerations and provides guidance on setting up and managing an effective EOI function in order to improve co-operation among tax administrations and better tackle tax evasion.

Building on these successes, the Global Forum Secretariat is working on an update to the Exchange of Information Working Manual. It will be released in early 2021.

These toolkits provide background information and practical solutions to members, and in particular to developing jurisdictions that intend to establish an EOI Unit and/or commit to AEOI. Other toolkits will be developed in 2021.

PREPARING THE FUTURE AND DEVELOPING NEW SYNERGIES

All actions included in the COVID-19 Action Plan and developed during this particular period have been designed to facilitate effective assistance on the ground when the situation will allow in-person meetings. The remote technical assistance work carried out during this period will be complemented by specific assistance in the field using, in particular, the toolkits developed.

In addition, **the Secretariat is developing and implementing a comprehensive capacity-building approach from awareness raising to practical implementation.** The development of e-learning modules, regional trainings and toolkits supports the understanding and ownership of key aspects of the transparency and EOI standards, while tailored technical assistance and targeted country-specific trainings support effective implementation.

6. Global Forum Secretariat (2020), Confidentiality and Information Security Management Toolkit, available in English at http://www.oecd.org/tax/transparency/documents/confidentiality-ism-toolkit_en.pdf

7. Global Forum Secretariat (2020), Establishing and Running an Effective Exchange of Information Function: A joint Global Forum and ATAF Toolkit, available in English at https://www.oecd.org/tax/transparency/documents/EOI-Unit-toolkit_en.pdf

This approach has been followed in 2020 with a **focus on the implementation of beneficial ownership requirements**. In addition to the promotion of the Beneficial Ownership Implementation Toolkit and the invitation made to officials to follow the related e-learning course, regional trainings were organised to facilitate experience sharing and interaction on the various possible ways of implementing a sound framework to ensure availability of, and access to, beneficial ownership information. These activities helped advance the policy discussion and were followed up by technical assistance on the legal or operational framework as well as targeted jurisdiction-specific training to support practical implementation (e.g training of the officials of the Register on beneficial ownership information).

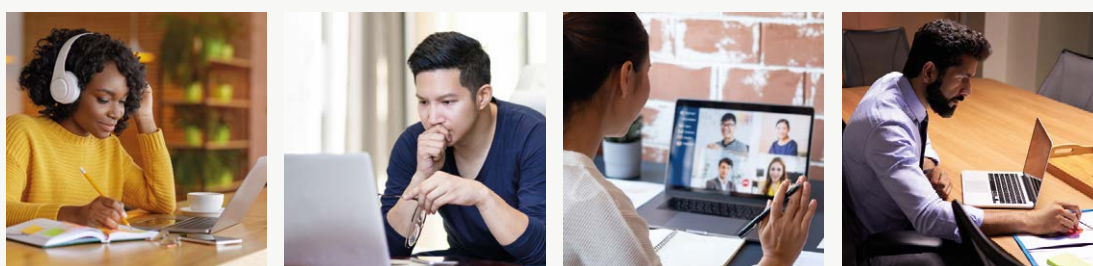
With a level of satisfaction of its capacity-building programme rated at 4.4 out of 5, the Global Forum Secretariat will pursue this approach with the objective to always offer the best service.

ENSURING GENDER BALANCE

The current COVID-19 pandemic is not gender blind and has exacerbated pre-existing social and economic inequalities between men and women. The Secretariat has thus started to **mainstream gender equality considerations in its capacity-building activities**. Education and skills development being part of the solution to reduce gender gaps in the long term, the Secretariat started to monitor gender balance in the participation to its trainings. **In 2020, more than half of the participants were women.**

While the percentage of women was higher than men in almost all regions, progress is needed in Africa where the female participation rate averaged 34%. This low average figure was due to one specific seminar with exceptionally low female attendance. Gender parity was achieved for other seminars targeted at African officials (49.6% women).

The Secretariat will keep monitoring this and continue to promote greater gender balance.



Education and skills development being part of the solution to reduce gender gaps in the long term, the Secretariat started to monitor gender balance in the participation to its trainings.

| Region | Female participation rate |
|----------------------------|---------------------------|
| Africa | 34% |
| Asia-Pacific | 54% |
| Europe | 55% |
| Latin America & Caribbean | 61% |
| Non-Specific / Open to all | 61% |
| Average | 51% |

2 | Maintaining political support

The momentum of the 10th anniversary of the Global Forum marked the end of 2019 with increased political commitments. While the onset of the COVID-19 crisis saw governments focus on fighting the spread of the pandemic and tackling its immediate consequences, fighting tax evasion and illicit financial flows is an important element of the post-pandemic strategies to mobilise fiscal resources to support the recovery.



NEW COMMITMENTS TO THE TAX TRANSPARENCY AGENDA

Despite the pandemic, the Global Forum Secretariat maintained strong interactions with senior officials and decision-makers around the world to build on the 2019 momentum. Through virtual meetings with ministers and heads of tax administration, the Secretariat has promoted transparency and EOI standards, provided information on the work of the Global Forum, informed on the benefits and obligations related to membership, and supported domestic reforms.

In the wake of the 10-year plenary meeting, the level of commitment to the transparency and EOI agenda and political engagement remained strong.

These commitments translated into:

- **An increase of the membership of the Global Forum**, with three new countries (Mali, Palau and Viet Nam) joining in 2020 – amounting to 161 members;
- **An increase of the participants to the MAAC**, with 11 countries signing the MAAC¹ and 8 jurisdictions ratifying it² – totalling 141 participating jurisdictions;
- **An increase in AEOI commitments**, with Morocco and Kenya committed to start exchanges in 2022 and Georgia in 2023 – amounting to 115 jurisdictions committed to exchange before September 2023.

“ Viet Nam received support from the Global Forum since 2017 after joining BEPS Inclusive Framework which enhanced our capacity for co-operations with world-wide tax authority partners, especially from SGATAR, ASEAN and APEC. In 2019, Viet Nam took the important step of joining the Global Forum, re-affirming our commitment to the international standards on transparency and exchange of information for tax purposes and paving the way to sign the multilateral Convention on Mutual Administrative Assistance in Tax Matters. We counted on the strong technical guidance and continued support from the Global Forum team during this process and look forward to working with them in the future. ”

Mr Cao Anh Tuan, Director General of the General Department of Taxation, Ministry of Finance, Vietnam

NEW REGIONAL IMPETUS FOR TAX TRANSPARENCY

Beyond commitments at jurisdiction level, **the vitality of the regional initiatives supported by the Global Forum Secretariat and other development partners reflects the positive dynamic towards transparency and EOI** as a tool to tackle tax evasion and other IFFs.

The Africa Initiative renewed for 2021-2023

The tax transparency agenda remained a high priority on the African continent, as shown by substantial progress achieved by African members under the Africa Initiative in implementing and effectively using the tax transparency standards.

1. Benin, Bosnia and Herzegovina, Botswana, Cabo Verde, Eswatini, Jordan, Mongolia, Namibia, Oman, Togo and Thailand.

2. Armenia, Bosnia and Herzegovina, Cabo Verde, Kenya, Mongolia, Montenegro, Namibia and Oman.

2. Maintaining political support

This progress was presented in the annual publication of the Africa Initiative, the **Tax Transparency in Africa 2020** report³, which was launched virtually during a high-level webinar event on 25 June 2020.⁴ This joint publication of the Global Forum, the African Union Commission (AU Commission) and ATAF sets out the substantial headway made by African countries over the years.

Through the **two pillars of the Initiative** – (i) raising political awareness and commitment in Africa and (ii) developing capacities in African countries – African countries are implementing the necessary framework to benefit from tax transparency and EOI to tackle IFFs and raise more revenues.

In spite of the pandemic, the tax transparency agenda is advancing on the continent.

- **More African countries are participating in the Africa Initiative**, with two new members (Namibia and Mali) bringing the total to 32.⁵
- **A strong partnership with the AU Commission**, which has promoted the importance of this Initiative for the advancement of tax transparency in Africa to fight IFFs and increase domestic resource mobilisation.
- **Increased support for the Yaoundé Declaration**⁶, which is a call for an African agenda to fight tax evasion and other IFFs from Africa through tax transparency and EOI. The Declaration is now supported by 30 African countries, after the recent endorsement of the Ministers of Finance of Cabo Verde, Djibouti, Egypt, Eswatini and Kenya, and by the African Union Commission.



“ As a step forward, the African Union is committed to playing a leadership role in the implementation of the Africa Initiative on tax transparency and keeping the discussions at the high political level to ensure that all Member States join the Initiative. The Union will also make sure that Member States prioritise domestic resource mobilisation by improving good governance and increasing tax transparency among jurisdictions. ”

The African Union will spare no effort to work with policy decision makers and tax administrations of its Member States, the Global Forum and development partners to ensure the sustainable financing of its development.”

Prof. Victor Harison, Commissioner for Economic Affairs, African Union Commission



3. Tax Transparency in Africa 2020 is a joint publication of the Global Forum, the AU Commission and ATAF available at <http://www.oecd.org/tax/transparency/documents/Tax-Transparency-in-Africa-2020.pdf>.

4. The report was due to be launched during the first quarter of 2020 at two high-level events: the African Union Specialised Technical Committee Finance meeting in March and the 8th Africa Initiative meeting in April. Unfortunately, both meetings were cancelled due to the Covid-19 pandemic.

5. The Africa Initiative members are Benin, Botswana, Burkina Faso, Cameroon, Cabo Verde, Chad, Côte d'Ivoire, Djibouti, Egypt, Eswatini, Gabon, Ghana, Guinea, Kenya, Lesotho, Liberia, Madagascar, Mali, Mauritania, Mauritius, Morocco, Namibia, Niger, Nigeria, Rwanda, Senegal, Seychelles, South Africa, Tanzania, Togo, Tunisia and Uganda.

6. The Yaoundé Declaration was adopted at the 10th plenary meeting of the Global Forum which was held in Yaoundé, Cameroon on 15 – 17 November 2017. Available at <http://www.oecd.org/tax/transparency/what-we-do/technical-assistance/Yaounde-Declaration-with-Signatories.pdf>



The Global Forum visited the headquarters of the African Development Bank in Abidjan, Côte d'Ivoire, on 3-4 February 2020 to discuss the tax transparency agenda in Africa.

In 2020, the capacity-building activities provided in the context of the Africa Initiative intensified.

- **Increased technical assistance programmes in Africa** with 31 African countries benefitting from a comprehensive induction programme (15) or a tailored assistance (16) (see Section 3).
- **A significant increase of the trainings**, with 12 trainings organised, most of which delivered virtually (10). These trainings were attended by close to 1 300 officials (more than 2015-2019 period).
- **Progression of the implementation of AEOI** with Nigeria starting its first exchanges in 2020 and thus joining the four other African countries⁷ that have already implemented AEOI. In addition, Kenya and Morocco committed to do so in 2022 while five other African jurisdiction⁸ are being assisted in determining a practical timeline for the implementation of the AEOI standard.

Selected key impacts:

- **Significant expansion of the African countries' EOI networks:** Close to 3 700 bilateral relationships in place at the end of 2020 compared to 3 262 in 2019 and 913 in 2014. This progress is mainly due to the number of African countries participating to the MAAC (from 7 in 2014 to 21 at the end 2020).
- **Noticeable increase in the use of the EOI infrastructure:** the number of requests for information sent by African countries reached 336 in 2019, compared with 38 in 2014.
- **EUR 480 million of additional revenues identified** between 2014 and 2019 through EOIR (EUR 160 million identified by 8 African countries⁹) and voluntary disclosure programmes prior to the first AEOI (EUR 320 million recovered by Nigeria and South Africa).

The mandate of the Africa Initiative has been renewed for the period 2021-2023 during its 8th meeting which took place virtually on 30 September – 2 October 2020. The 150 participants from 27 African countries and 20 organisations recognised the Initiative's achievements and paved the way forward with this new three-year mandate, a restructured governance and a clear set of goals for the capacity-building activities. In 2021, the Initiative will be chaired by Mr Githii Mburu,

7. Seychelles and South Africa started exchanges in 2017, Mauritius in 2018 and Ghana in 2019.

8. Cameroon, Kenya, Senegal, Tunisia and Uganda.

9. Burkina Faso, Cameroon, Kenya, Senegal, South Africa, Togo, Tunisia, Uganda.

EUR 480 million
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2. Maintaining political support

Commissioner General of the Kenya Revenue Authority, while Mr Edward Kieswetter, Commissioner of the South African Revenue Service, will serve as Vice-Chair.

2021-2023 work plan for the Latin America Initiative

In Latin America, significant progress was made in the wake of the landmark 2018 Punta del Este Declaration¹⁰ to tackle tax evasion, corruption and other financial crimes through an improved international tax cooperation.

- **Increased support for the Punta del Este Declaration**, with five countries¹¹ endorsing it since November 2019, bringing the number of signatories to 13.¹²
- **Strengthened collaboration and partnership with development partners**, namely the Inter-American Center of Tax Administrations (CIAT), the Inter-American Development Bank (IDB) and the WBG, to advance the tax transparency agenda in the region and facilitate the implementation of the Latin American countries' commitments.

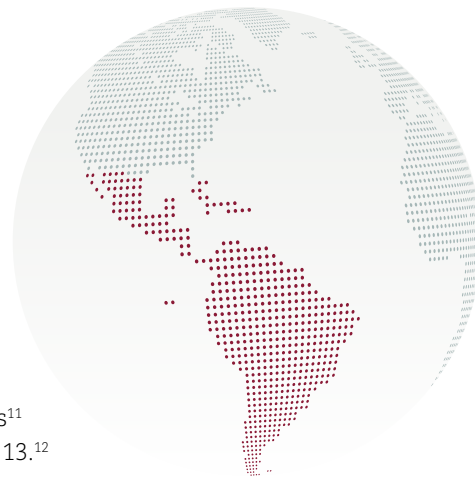
This growing network ensures further regional collaboration and engagement, increases awareness of the importance of EOI and enhances the overall impact of tax transparency in Latin America.

Strengthening the capacities in Latin American countries is a key objective of the Initiative and its supporters. 2020 was marked by intense technical assistance and trainings in the region.

- **An unprecedented number of 1 100 officials were trained**, including through three regional virtual trainings.
- **10 Latin America countries received technical assistance** to implement and effectively use the EOI standards through three induction programmes¹³ and seven tailored assistance activities¹⁴.

In November 2020, a major step was achieved to deliver on the Punta del Este commitments.

Held virtually, the third Punta del Este Declaration meeting¹⁵, was the occasion to frame the work and the capacity-building activities for the period 2021-2023. The 80 delegates from the 13 signatories, 2 observers (El Salvador and Mexico) and 8 partner organisations reiterated their commitment to tax transparency and EOI. They shared experiences and solutions adopted to implement the EOI standards as a means to support each other. They also approved an ambitious work plan and a new governance for the Initiative to support the implementation of the objectives of the Declaration over the next three years.



Strengthening the capacities in Latin American countries is a key objective of the Initiative and its supporters. 2020 was marked by intense technical assistance and trainings in the region.

10. <http://www.oecd.org/tax/transparency/what-we-do/technical-assistance/punta-del-este-declaration.htm>.

11. Brazil, Costa Rica and the Dominican Republic joined the Declaration end 2019 while Guatemala and Honduras endorsed it in 2020.

12. The signatories of the Punta Del Este Declaration are Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Panama, Paraguay, Peru and Uruguay.

13. Ecuador, Honduras and Paraguay.

14. Colombia, Costa Rica, Dominica, Dominican Republic, El Salvador, Panama, and Peru.

15. This meeting was initially planned for April 2020, in the margins of the CIAT General Assembly, but it was cancelled due to the COVID-19 pandemic situation.

2. Maintaining political support

A new initiative for the Pacific region

In October 2020, a Pacific Initiative was launched to raise awareness and enhance tax transparency for the benefit of developing Pacific Islands.

This joint Initiative of the Global Forum, the ADB, the Australian Taxation Office (ATO), the OECD, the Pacific Islands Tax Administrators Association (PITAA), the New Zealand Inland Revenue Department (NZ-IRD) and the WBG aims to support these jurisdictions, taking into account their circumstances and specific needs.



Capacity-building activities were carried out in the region to support a growing membership – nine Pacific members with the joining of Palau – and reach out non-members in the region.

- Technical assistance was provided to Palau and Papua New Guinea (induction programmes), and Vanuatu (tailored assistance).
- 75 officials were trained, including in the dedicated training organised to kick off the Pacific Initiative.



The Global Forum and Her Majesty's Revenue and Customs (HMRC) of the United Kingdom carried out an on-site visit in Cairo on 2-5 March 2020 to assist Egypt prepare for its peer review assessing its compliance with the international standard of exchange of information on request.

3 | Effective implementation of international standards on transparency and EOI

One of the main objective of capacity building is to enable the effective implementation of the standards by member jurisdictions, in particular developing ones, through the provision of jurisdiction-level policy and legislative advice, ISM assistance and other technical assistance activities.

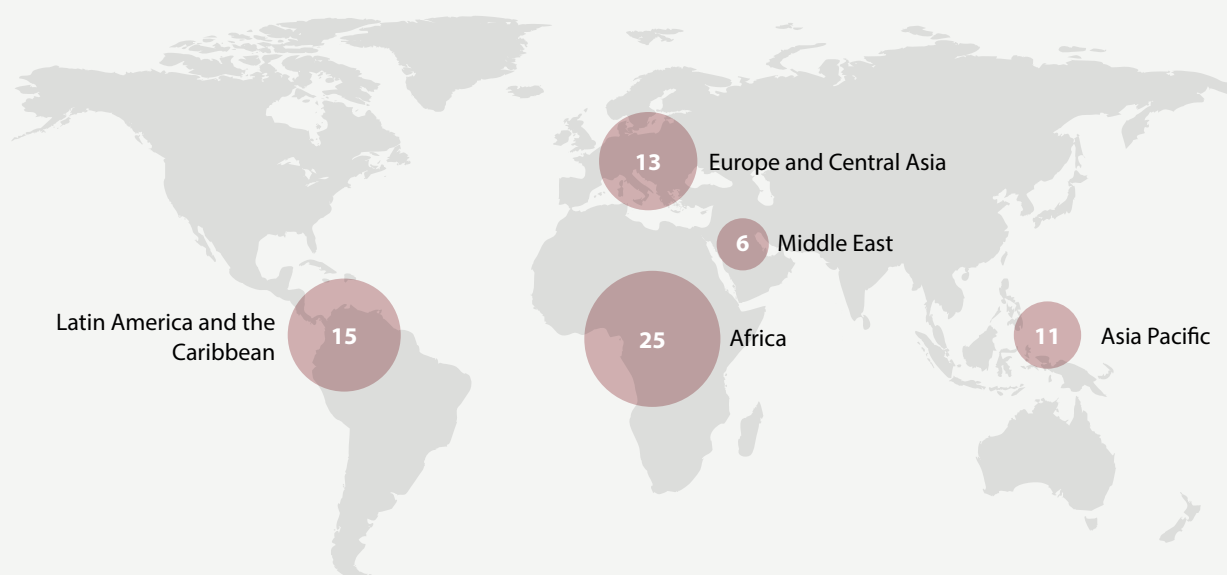


3. Effective implementation of international standards on transparency and EOI

70 JURISDICTIONS ASSISTED IN IMPLEMENTING THE EOI STANDARDS

The demand for technical assistance significantly increased in 2020. The main drivers have been the increase in membership in recent years, the preparation of EOI peer reviews, the implementation of structural reforms aimed at increasing domestic revenues, in particular the implementation of the AEOI standard, and the willingness of member jurisdictions to comply with their commitments to the Global Forum and other organisations.

Number of jurisdictions currently supported by the Global Forum Secretariat, by region (December 2020)



In 2020, 70 jurisdictions benefitted from the Global Forum Secretariat expertise. The scope and intensity of the technical support provided varied from one jurisdiction to another. The geographical distribution was as follows: Africa (36%), Latin America and the Caribbean (21%), Europe (19%), Asia-Pacific (16%) and Middle East (8%).

- Progress was made in the delivery of 31 of the 38 Global Forum’s comprehensive capacity-building programmes (Induction Programmes) which have been offered to new members since 2015 (see Box 1). The pandemic made the work with some of the beneficiaries of these programmes more difficult. For instance, while some programmes were pre-launched virtually this year (Namibia, Palau), the launch of the programmes for Guinea and Mali¹ was postponed.
- Tailored assistance was provided to address specific needs of 39 jurisdictions, out of which 34 were developing jurisdictions².

1. The conditions for the launch of the programme of Mali were not met due to the current circumstances in the country.

2. The tailored assistance provided to five developed members of the Global Forum was not funded by voluntary contributions.

3. Effective implementation of international standards on transparency and EOI

BOX 1. The 38 Global Forum's Induction Programmes

Armenia, Benin, Bosnia and Herzegovina, Cabo Verde, Cambodia, Chad, Côte d'Ivoire, Djibouti, Ecuador, Egypt, Eswatini, Faroe Islands*, Greenland*, Guinea, Guyana, Haiti, Honduras, Jordan, Kuwait*, Lebanon, Madagascar, Maldives, Mali, Moldova, Mongolia, Montenegro, Namibia, Niger, Oman*, Palau, Papua New Guinea, Paraguay, Rwanda, Serbia, Tanzania, Thailand, Togo and Viet Nam.

* Assistance provided to these jurisdictions is not funded by voluntary contributions.

JOINING THE CONVENTION ON MUTUAL ADMINISTRATIVE ASSISTANCE IN TAX MATTERS

With 141 participating jurisdictions to date, the MAAC is the largest multilateral instrument aimed at assisting countries to better enforce their tax laws by providing an international legal framework for cross-border administrative assistance in tax matters.

The Toolkit for Becoming a Party to the Convention on Mutual Administrative Assistance in Tax Matters released this year will greatly improve the assistance provided to jurisdictions seeking to join the MAAC.³ Indeed, when a jurisdiction joins the Global Forum, one of the first steps of the Induction Programme is to help that jurisdiction becoming a party to the MAAC, if it wishes to. Technical assistance is provided on all steps, from the request, to becoming a Party, to the deposit of the instrument of ratification, in collaboration with the MAAC's co-ordinating body. This includes assistance in answering and addressing any gaps with respect to the tax confidentiality questionnaire, and in drafting the notifications, declarations and reservations.

Continued assistance has been provided to 25 jurisdictions since November 2019 to help them with their request to join the MAAC and the related confidentiality requirement (17), the signing of the Convention (12), the ratification process and the procedure of deposit of the instrument of ratification (6).

As a result, **11 jurisdictions⁴ signed the MAAC and 8 jurisdictions⁵ deposited their instrument of ratification in 2020.**

MORE THAN 50 JURISDICTIONS ASSISTED IN IMPLEMENTING THE EOIR STANDARD

The expertise of the Global Forum Secretariat has been greatly mobilised to help jurisdictions ensure availability, access and cross-border exchange of ownership, accounting and banking information.

Desk-based assistance has been provided on the legal framework and its implementation in practice, with a focus on the transparency of beneficial ownership information. The demand for assistance was mainly driven by the preparation of EOIR peer reviews, the implementation of the recommendations made in the peer review reports and the preparation of requests for supplementary reviews.

In total, 52 jurisdictions received technical assistance on EOIR in 2020. The distribution is as follows:

- **Legal framework assistance was provided to 51 jurisdictions.** The Secretariat analysed legal gaps, drafted EOIR preliminary assessment reports and recommendations to jurisdictions that had provided a draft version of their EOIR questionnaire. Additional assistance has been provided on how to answer the questionnaire, as well as on legislative proposals.

3. Global Forum Secretariat (2020), A Toolkit for Becoming a Party to the Convention on Mutual Administrative Assistance in Tax Matters, available at http://www.oecd.org/tax/transparency/documents/MAAC-toolkit_en.pdf.

4. Benin, Bosnia and Herzegovina, Botswana, Cabo Verde, Eswatini, Jordan, Mongolia, Namibia, Oman, Togo, and Thailand.

5. Armenia, Bosnia and Herzegovina, Cabo Verde, Kenya, Mongolia, Montenegro, Namibia and Oman.

3. Effective implementation of international standards on transparency and EOI



The Global Forum and the World Bank carried out a technical assistance mission in Antananarivo on 20-24 January 2020 to assist Madagascar in the implementation of the international tax transparency standards.

- **Assistance was provided to 33 jurisdictions to help them implement in practice their domestic legal framework.** The Secretariat provided advice on statistical information to be prepared for the EOIR review, on monitoring and supervision framework to ensure the availability of relevant information and on procedures and powers used by the competent authority to access information.
- **42 jurisdictions were supported with the implementation of the beneficial ownership requirements.** This entails assistance with legislation, in particular the amendments to anti-money laundering legislation and implementation of beneficial ownership registers, and the implementation of a monitoring and supervision framework.
- **29 jurisdictions received guidance with respect to the organisation and functioning of their EOI unit.** The Secretariat helped them set-up their EOI unit, draft their EOI manual and procedures, and implement a monitoring process.

Positive results were achieved by jurisdictions receiving technical assistance, as shown by the “largely compliant” rating with the EOIR standard received by Tunisia, Peru and Papua New Guinea in April and September 2020.

“ The technical assistance provided by the Global Forum in relation to the EOIR and AEOI processes has been particularly important to strengthen the competent authority in charge of exchange of information and the commitment that has taken Peru to support tax transparency and to fight tax evasion. ”

Mr Marco Antonio Camacho Sandoval, Director General of the Public Revenue Policy Directorate, and

Ms Patricia Checa, Chief of the Office of Mutual Administrative Assistance in Tax matters, Ministry of Economy and Finance, Peru



CASE STUDY

Tunisia

Since 2012, Tunisia joined the Global Forum and benefited from an intense capacity-building programme involving remote assistance and numerous on-site missions which was funded by the Middle East and North Africa Transition Fund of the Deauville Partnership.

With the technical support of the Global Forum Secretariat, Tunisia has carried out significant structural reforms in order to implement the EOIR standard to prepare its peer review, including becoming a party to the MAAC in 2013.

Two examples illustrate the extent of the improvements made:

- Tunisia has moved in a few years from a situation where the tax administration had to obtain a judge's authorisation to access any banking information to a regime of automatic transmission of much of this information through a national register of bank accounts managed by the tax administration.
- Tunisia has strengthened the transparency of beneficial owners through the upgrading of its anti-money laundering legislation and the establishment of a new national business register (*Registre national des entreprises*) based on a unique tax identifier to ensure the availability of complete and updated information on the legal and beneficial owners of all entities and legal arrangements.

Tunisia has also put in place the necessary infrastructure to effectively use EOI in the fight against illicit financial flows and thus establish a sustainable mobilisation of domestic resources. The Secretariat's assistance also contributed to building the capacity of more than 250 Tunisian officials through a series of training workshops held in Tunisia and the secondment of two Tunisian officials to the Secretariat for a period of three months, and to the strengthening of the EOI Unit and its operations. In doing so, a real EOI culture has developed in Tunisia, which has sent 218 EOI requests (i.e. almost 69% of the requests sent by all African countries) in 2019 against only 5 in 2015. Nearly USD 5 million in additional revenue were collected between 2018 and 2019 by using EOI.

Tunisia has put in place the necessary infrastructure to effectively use EOI in the fight against illicit financial flows and thus establish a sustainable mobilisation of domestic resources.

3. Effective implementation of international standards on transparency and EOI

Thanks to the successful implementation of its EOI strategy, Tunisia attained a “Largely Compliant” rating in its 2020 EOIR peer review and is a well-regarded EOI partner in the region and globally. Tunisia now makes routine use of exchange of information as a tool to protect its tax base. Since 2020, Tunisia is benefiting from a new technical assistance programme funded by the European Union, which includes assistance in implementing AEOI and cross-border tax collection.

“ *Since 2012, the continued support of the Global Forum has facilitated the conduct of reforms and modernisation actions to ensure a high level of tax transparency in Tunisia. This support has fostered the development of a genuine culture of information exchange which translates into a more effective fight against international tax evasion and additional revenues for the financing of public goods and services.* ”

Mr Sami Zoubeidi, Director General of Taxes, Ministry of Finance, Tunisia

Source: Tax and Development Case Study – *Strengthening tax capacity to increase domestic resources in Tunisia*. OECD and Global Forum Secretariat (2021): <http://www.oecd.org/tax/global/strengthening-tax-capacity-to-increase-domestic-resources-in-tunisia.pdf>

35 JURISDICTIONS SUPPORTED IN IMPLEMENTING THE AEOI STANDARD

With the growing interest of developing jurisdictions in implementing AEOI and the consequent increasing political commitment, technical assistance in this area has been intensive in 2020. The expertise of the Secretariat was made available to help jurisdictions implement the international and domestic legal framework and the confidentiality and information security management requirements.

In total, 35 jurisdictions benefitted from AEOI assistance, which resulted in positive outcomes. In particular, Albania (which had committed to 2021), Nigeria, Oman and Peru started their first exchanges in 2020. However, different factors related to the impact of the pandemic, such as the delay in parliamentary or procurement procedures and the travel restrictions, which prevented on-site support and confidentiality and ISM pre-exchange assessment, Ecuador, Kazakhstan and Maldives postponed their commitment from 2020 to 2021.

AEOI pilot projects are progressing

Since 2014, AEOI pilot projects have been launched with partner developed jurisdictions to assist developing jurisdictions in implementing AEOI. These programmes are coordinated by the Secretariat, which adds its expertise to that of the developed partner. Two initial pilot projects between Colombia and Spain and between Pakistan and the United Kingdom came to successful conclusions with Colombia commencing exchanges under the AEOI standard in 2017 and Pakistan in 2018. In 2020, the pilot project between Albania and Italy came to a successful end, with Albania starting its first exchanges in December.

Five AEOI pilot projects are underway and progress has been made in 2020. France is supporting Morocco's efforts in implementing the AEOI standard: the primary legislation was issued in December 2019 and work is ongoing on the regulations and the ISM framework. The pilot project between the United Kingdom and Egypt stalled because of the pandemic, and the one between the Philippines and Australia was relaunched this year with the support of the ADB. In the context of its pilot project with Germany, Georgia has taken an important step by committing to first AEOI exchanges in September 2023. A new pilot project between Switzerland and Tunisia will be officially launched in January 2021.



CASE STUDY

Albania



THE SUCCESSFUL PILOT PROJECT BETWEEN ALBANIA, ITALY AND THE GLOBAL FORUM

In October 2014, Albania committed itself to implement the AEOI standard by 2018 and signed the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information. A pilot project was agreed at ministerial level between Albania and Italy in coordination with the Global Forum Secretariat to support Albania in its AEOI journey.

However, at that time no one yet had a clear vision of the complexity of the implementation of this standard and all the challenges to be overcome. The roadmap drawn by the partners at the early stage of the project was very ambitious to meet the political commitment but it was not realistic taking into account the specific circumstances of Albania. Albania faced difficulties in implementing the agreed roadmap due to different events, including the reorganisation of the Ministry of Finance and the General Tax Department and the allocation of resources to the preparation of its EOIR peer review. In consultation with Italy and the Secretariat, Albania requested in 2016 a postponement of its exchange date to 2020. With this more realistic timeline, assistance from Italy and the Global Forum Secretariat has continued and intensified in all areas of the implementation in line with a new roadmap. Thanks to the commitment at political and technical level in Albania, and Italy's strong support, progress were achieved through remote assistance and on-site visits. However, in view of what remained to be done for being able to exchange and the impact of the COVID-19 pandemic, Albania shifted to 2021 the date of its first exchanges, while striving to meet the 2020 deadline. Throughout 2020, technical assistance further intensified and, ultimately, Albania was able to exchange in December 2020.

This is the first part of the AEOI journey of Albania. Due to the pandemic, Albania, which has made significant progress in implementing an appropriate confidentiality and ISM framework, has not received AEOI data in 2020 as an assessment of this framework was not possible. In 2021, Albania would therefore be evaluated with a view to receiving AEOI data from foreign jurisdictions. In addition, assistance will be provided to help Albania use effectively the AEOI data it will receive to mobilise domestic revenue.

A continuous engagement and commitment at political and technical level of the assisted jurisdiction is a condition of the success of the pilot project.

3. Effective implementation of international standards on transparency and EOI

The pilot project was a learning experience which has led to improve the approach to technical assistance on AEOI.

- Assessing the level of maturity of a jurisdiction is critical to better inform decision-makers on a realistic timeline for the implementation of AEOI, so that they choose an appropriate date for a political commitment, and to design a realistic roadmap with clear milestones to ensure that progress is achieved as agreed and corrective measures taken if necessary.
- A continuous engagement and commitment at political and technical level of the assisted jurisdiction is a condition of the success of the pilot project which implies transparent and regular communications between the partners.
- The strong engagement of the partners at high level to maintain the high-profile of the project as well as at technical level to support all areas of the AEOI implementation is equally essential. In particular, the continued support and commitment to the project of the technical assistance provider is essential for this successful outcome.

Those lessons have contributed to design the new capacity-building strategy of the Secretariat and to improve the 2017 Global Forum's Plan of Action for Developing Countries Participation in AEOI⁶.

“ Italy welcomes the great result obtained by Albania by meeting the 2020 deadline for starting its CRS exchanges. Italy is glad to have had the opportunity to support Albania and to cooperate with the Global Forum Secretariat for the achievement of this important milestone toward the implementation of the international tax transparency framework. ”

Ms Fabrizia Lapcorella, Director-General of Department of Finance of Italy, and
Mr Ernesto Maria Ruffini, Director-General of Revenue Agency of Italy

“ The implementation of automatic exchange in Albania was an ambitious project that was successfully completed thanks to the full support of our precious partners, Italy and the Global Forum Secretariat. This project enabled Albania to strengthen its technical capacities and its confidentiality framework. Now our goal is to receive and effectively use financial information in 2021, and then improve tax compliance. ”

H.E. Ms Anila Denaj, Minister of Finance and Economy of Albania

6. Global Forum Secretariat (2017), Global Forum's Plan of Action for Developing Countries Participation in AEOI, available in English and French at <https://www.oecd.org/tax/transparency/plan-of-action-AEOI-and-developing-countries.pdf>

3. Effective implementation of international standards on transparency and EOI

International and domestic legal framework

In 2020, 31 jurisdictions benefitted from legal framework support, including the 13 jurisdictions⁷ committed to start their first automatic exchanges between 2020 and 2023.

- **Six jurisdictions have been supported in setting up the international legal framework for AEOI.** The Secretariat provided information, guidance and assistance for either the signing or the activation of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (CRS-MCAA). Since November 2019, the CRS-MCAA has been signed by Oman, and activated by Albania, Oman and Peru.
- **Domestic legal framework assistance has been provided to 29 jurisdictions.** The Secretariat helped jurisdictions draft their AEOI primary and secondary legislations or address deficiencies identified in the context of the AEOI implementation monitoring or peer review process.

“ Colombia would like to thank the Global Forum for the technical assistance and fruitful dialogue throughout 2020 in the context of the AEOI legislative framework assessment. Along the process, which successfully led us to the “in place” determination, the Secretariat was always available and responsive to our queries and their recommendations allowed us to have a clearer path. We truly value our partnership with the Global Forum and look forward to keep advancing together in the transparency agenda. **”**

Mr José Andrés Romero, Director General of the National Directorate of Taxes and Customs, Ministry of Finance and Public Credit, Colombia

Confidentiality and Information Security Management

ISM support for jurisdictions committed or contemplating a commitment to a specific timeline for exchanges under the AEOI standard is central to the capacity-building programme. This critical element of the implementation of the AEOI standard is particularly challenging for developing jurisdictions. To help them engage in AEOI, a roadmap to implementation was published in 2017 to promote the extension of the compliance benefits of AEOI to the developing world.⁸

In 2020, two ISM and cyber-security specialists have been recruited to strengthen the Secretariat’s expertise in this area and to sustain the growing request for assistance in ISM of jurisdictions desiring to explore their participation in AEOI and/or meet the AEOI confidentiality assessment requirements of the Global Forum and Inclusive Framework on Base Erosion and Profit Shifting (BEPS).

7. Albania, Ecuador, Georgia, Jordan, Kazakhstan, Kenya, Maldives, Montenegro, Morocco, Nigeria, Oman, Peru and Thailand.

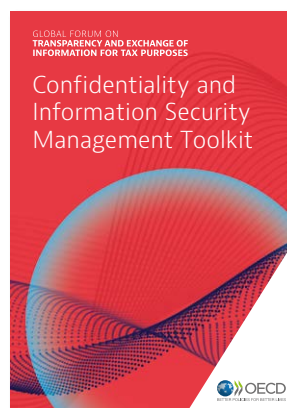
8. Global Forum Secretariat (2017), Plan of Action for Developing Countries’ Participation in AEOI, available at <https://www.oecd.org/tax/transparency/plan-of-action-AEOI-and-developing-countries.pdf>

3. Effective implementation of international standards on transparency and EOI

Although on-site visits had to be postponed, ISM support continued to be delivered through desk-based assistance and videoconferencing, including through the involvement of ISM consultants and experts from partner organisations. The assistance provided covers preparation of the pre-exchange and post-exchange assessments. It includes advice on the completion of the confidentiality questionnaire, reports on gaps identified with corresponding recommendations, action plans to address these recommendations, follow-ups as well as technical solutions.

In addition, following a data breach in 2019, the Secretariat prepared an IT Security Awareness and Diagnostic Tool for jurisdictions participating in AEOI, which were also asked to complete a survey regarding their implementation of key IT security measures. Follow-up technical assistance was provided to some jurisdictions on the implementation of certain aspects of the security measures.

The Confidentiality and Information Security Management Toolkit, which has been released on 1 December 2020, will be a cornerstone of the technical assistance in this area.



29 jurisdictions are receiving ISM assistance, including those seeking to be successfully re-assessed following a pre-exchange assessment with weaknesses identified (2), those exploring making (12) or delivering (12) a voluntary commitment to AEOI exchanges by a certain date⁹ and those improving their ISM framework in the perspective of their post-exchange assessment (3).

Positive results were achieved in 2020 with Albania, Nigeria, Oman and Peru having successfully passed their AEOI confidentiality assessment thanks to the assistance provided prior to the evaluation. However, due to the travel restrictions related to the pandemic, the pre-exchange assessment of Albania, Nigeria and Oman was for non-reciprocal exchanges only. As other temporary non-reciprocal jurisdictions, they would be able to undertake a reassessment in 2021 to become reciprocal.

“ The support of the Global Forum has been essential for Ecuador to make a firm step forward in ensuring the confidentiality of the information exchanged, including the support of experts from friendly countries that have successfully completed their processes. ”

Ms Marisol Andrade, Director General of the Tax Administration, Ministry of Economy and Finance, Ecuador

9. It includes jurisdictions seeking an assessment for purposes of exchanges under the BEPS standards.

4 | Effective use of exchange of information

Beyond day-to-day assistance to help members implement the international standards effectively, the large scale capacity-building programme developed by the Global Forum Secretariat ensures that more and more developing jurisdictions can benefit from transparency and exchange information for tax purposes to tackle offshore tax evasion and increase their revenues.

BUILDING AN EOI LEGACY

Building a sound EOI infrastructure is critical to tackle tax evasion and raise domestic revenues.

One vital component is the EOI unit, which has the core responsibility to run the EOI business on a daily basis but also to support all other tax administration functions such as taxpayer management, audit, recovery or disputes.

In 2020, the Secretariat focused its work on the development of tools to support EOI activities, with a focus on the making of outgoing EOI requests.

- **The Toolkit on Establishing and Running an Effective Exchange of Information Function** will provide support and guidance to developing jurisdictions to implement an effective EOI unit, which will be completed by bilateral assistance if needed.
- **The revised version of the EOI working manual currently in development** will assist EOI units in establishing effective procedures to handle incoming and outgoing requests, monitor the EOI activity and facilitate the work of EOI officers and auditors.
- **The impact assessment form developed by the Secretariat has been approved by members of the Africa and Latin America Initiatives.** This form, to be filled by tax auditors and reported to the EOI unit, will facilitate the impact monitoring of all forms of EOI (on request, automatic and spontaneous).

Tailored assistance has also been provided to members' EOI units based on their needs, and practical guidance has been delivered on the tools, such as tracking systems, checklists and processes ensuring confidentiality of EOI.

“ In Senegal, the Global Forum broke the legislative, technical and administrative glass ceiling, suspended above our heads, that was hindering the exchange of information for tax purposes. ”

H.E. Abdoulaye Daouda Diallo, Minister of Finance and Budget, Senegal

BUILDING A CULTURE OF EOI

A strategic axis of the Secretariat is to build capacities for tax auditors and EOI officers and foster a culture of EOI aimed at ultimately generating revenues. A range of activities is offered to train tax officials and optimise tax administrations' practices through training, e-learning and other means.

Auditors' sensitisation is central to building a culture of EOI. In 2020, dedicated actions have been carried out:

- **Six “Last mile seminars” were organised and attended by 1 264 officials.** These seminars aim at introducing tax auditors to the EOI infrastructure, including treaty networks, competent authority structures and EOI facilitation tools. They focus on the connection between domestic tax investigation and information gathering framework, and the EOI infrastructure. Auditors are encouraged to make an effective use of the tools by increasing the volume and quality of outgoing requests to their treaty partners. These seminars strengthen auditors' awareness for the close link between the protection of domestic revenue and the effective use of their EOI network.

4. Effective use of exchange of information

- Building on the positive outcomes of Last Mile seminars, **the Secretariat is developing a “Train the trainer” module** to facilitate the domestic appropriation of training materials, build knowledge transfer and help maximise their impact in developing jurisdictions.
- **The e-learning course on EOIR released this year will support the effective and appropriate use of the EOI infrastructure.** It details how EOIR can be used throughout the taxpayer compliance cycle and how compliance officers (auditors, investigators, debt collectors) can use EOI and identify appropriate EOI cases. The purpose is to foster synergies in tax administrations and demonstrate that EOI can be a proactive tool if embraced and used for the benefit of domestic revenue mobilisation.

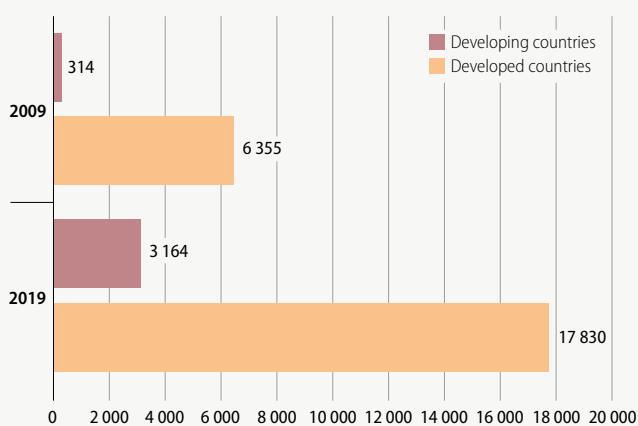
With the spread of AEOI, members began to express interest in receiving assistance on the effective use of AEOI data.

With the spread of AEOI, members began to express interest in receiving assistance on the effective use of AEOI data. Workshops with the Indonesian, Colombian and Peruvian tax administrations were held in 2019, with the support of a Norwegian data expert, with the aims of assessing and improving these administrations’ capabilities for the collection, exchange, matching and use of CRS data. Follow-up work has been done in 2020, including the delivery of technical assistance reports with conclusions and recommendations on the quality and use of CRS data and the potential use for compliance purposes. With growing interest in this field, similar support is expected to be provided to other members.

The Secretariat also participated in several events and workshops relating to the effective use of CRS data in 2020. These included a workshop held by the Finnish Tax Administration on the effective use of CRS information in Nordic Countries (January), the digital meeting of the Intra-European Organisation of Tax Administration (IOTA) Forum on the Use of Data from AEOI (October) and a virtual meeting of the Forum on Tax Administration (FTA) on AEOI and Compliance (November).

The Secretariat coordinates with members, the FTA and Tax Inspectors Without Borders, which initiated a new programme in this area in November 2019¹, so as to consolidate learning on best practices in effective AEOI data use and deliver appropriated further assistance. These combined efforts aim at supporting countries in the design and implementation of their data-based compliance programmes.

Number of requests made by member jurisdictions, 2009 and 2019



Note: The figure is built on the basis of the figures reported by Global Forum members through the 2020 Global Forum Survey (about 80% of all members responded, including 62 developing countries).

EOI IMPACT ON DOMESTIC REVENUE MOBILISATION

The ultimate goal of transparency and EOI is to ensure the application of tax laws and the fairness of the tax system. **Fighting tax evasion and other IFFs is necessarily linked to sustainable domestic resource mobilisation.**

The annual survey filled out by Global Forum members and the Tax Transparency in Africa report are meant to assist countries take stock of performance and learn from peers about the various

1. This programme aims at complementing the technical assistance provided by the Global Forum Secretariat, and helping countries integrate the CRS data into their risk compliance strategy.

4. Effective use of exchange of information

ways transparency and EOI strategies may be translated into revenue. Several countries in Africa have gone ahead to position EOI as a tool to increase tax compliance and thus revenue collection.

The increase in the number of EOI requests made by African countries translated into additional tax revenue. In total, between 2014 and 2019, a group of eight African countries identified EUR 158 million in additional revenue through EOIR. African countries also reported increasing revenues from audits and investigations supported by EOIR, including Senegal, which collected EUR 2.7 million in 2018-2019, and Uganda, which secured EUR 34 million since 2014, of which more than 10 million in 2019.

Other good examples were reported from other regions. In 2018-2019, a member in Asia-Pacific region reported collecting EUR 3.2 million, while another one in Latin America collected EUR 8.8 million as a consequence of requests sent.

Globally, developing countries have identified at least EUR 29 billion through voluntary disclosure programmes and offshore tax investigations. Leveraged by EOI, the voluntary disclosure programmes on financial accounts and assets held offshore and the high-net-worth individual (HNWI) programmes undertaken in Africa have been successful. Between 2014 and 2019, EUR 480 million of additional revenues were reported as a consequence of these programmes.

Fighting tax evasion and other IFFs is necessarily linked to sustainable domestic resource mobilisation.

EOI case from TUNISIA

The Tunisian tax authorities have carried out an audit of a Tunisian Company X operating in the tourism sector.

Exchanges of information with two foreign countries confirmed a major case of tax evasion.

The tax evasion scheme was as follows:

- The Tunisian Company X was concealing a significant part of its turnover with a Company A established in Country A. Part of the payments to Company A was made through two bank accounts in a bank established in Country A.
- The concealed payments were then transferred to two bank accounts opened in a Tunisian bank by a foreign Company B established in Country B. Company B was incorporated by one of the shareholders of the Tunisian Company X.

The sales reductions between 2013 and 2016 identified with domestic information (without EOI) amounted to USD 2.6 million. This amount increased to USD 4.1 million after the use of information received from Countries A and B through EOI, i.e. an increase of 54%. The Tunisian Company X accepted a tax adjustment of almost USD 1.2 million.

Source: *Tax Transparency in Africa 2020*.



EOI case from CAMEROON

In 2016 Cameroon received a request for information from a European Country (Country X) concerning the business relationship between a mother company based in Cameroon and its two subsidiaries in Country X.

On the basis of the information received in the request and while responding to it, Cameroon realised that the income generated by some of the transactions between Country X companies and the related company in Cameroon may have not been declared in Cameroon.

After responding to the request received, Cameroon also send a request to Country X to seek complementary information on the Country X subsidiaries of the Cameroon-based company.

The response received from Country X revealed that over the period 2013 to 2015 the Cameroon company had imported a variety of raw materials from Country X worth more than USD 5 million. This information was transmitted to the relevant taxation office in Cameroon, to be compared with the Cameroon company's tax declarations for the respective years. Accordingly, a comprehensive check of accounts was conducted in the Cameroon company in 2017.

The audit resulted in an initial tax liability for the Cameroon company of over USD 1.3 million in total (principal and penalties). After a lengthy litigation, the final tax liability stood at almost USD 1 million in total and was effectively recovered by the tax administration.

Source: *Tax Transparency in Africa 2020*.



5 | A collaborative effort

The breadth and intensity of the capacity-building programme of the Global Forum Secretariat is only made possible thanks to the financial support provided by donor partners, the involvement of member jurisdictions and the strong partnership built with technical partners.

The capacity-building programme of the Global Forum Secretariat is mainly funded by voluntary contributions and grants, with great thanks to Australia, France, Japan, Norway, Senegal¹, Switzerland, the United Kingdom and the European Union for their continuous support and trust. This financial support is critical to the short and long-term support provided to developing jurisdictions. The Secretariat is striving to continuously improve the allocation of its resources, as demonstrated by a new strategy reflecting the ever-increasing demand for support in a context of constrained resources. The Secretariat will pursue its fund-raising efforts and it is hoped that the financial support for this critical activity will be renewed.

Financial contributions provided by



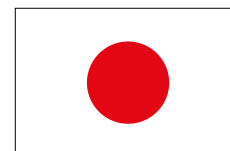
Australia



European Union



France



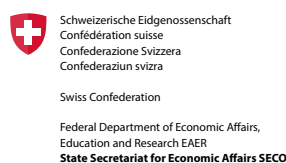
Japan



Norway



Senegal



Switzerland



United Kingdom

1. Voluntary contribution of the Resource Mobilisation and Investment Attractiveness Institutional Support (PAIMRAI). Project piloted by the Ministry of Finance of Senegal and supported by the AfDB.

Many member jurisdictions are also contributing to the capacity-building activities through their invaluable expertise and reinforce the assistance provided by the Secretariat. In 2020, they contributed to the implementation of AEOI pilot projects, the assistance in effective use of AEOI data, the implementation of an effective framework to ensure transparency of beneficial ownership information and the assistance in cross-border tax collection.

Expertise provided by



Australia



Belgium



France



Germany



Italy



New Zealand



Norway



Spain



Switzerland



United Kingdom

Since the launch of its capacity-building programme in 2011, the Global Forum Secretariat has established strong partnerships with other development partners at global and regional level. In 2020, these partners contributed to the development of the regional initiatives, the delivery of trainings, the creation of knowledge-development tools and technical assistance programmes aimed at developing jurisdictions.

Partner organisations



AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE
DE DEVELOPPEMENT

African Development
Bank Group



African Tax
Administration Forum



African Union
Commission



Asian Development
Bank



Centro Interamericano
de Administraciones
Tributarias



Cercle de réflexion et
d'échange des dirigeants des
administrations fiscales



Inter-American
Development Bank



International
Monetary Fund



Pacific Islands Tax
Administrators Association



WORLD BANK GROUP
World Bank Group

6 | A new capacity-building strategy for the widest impact

Despite a growing share of developing jurisdictions and related increase in requests for assistance, the Secretariat's 10-year capacity building programme was able to respond to the needs of these jurisdictions and achieve positive results, including during the pandemic. In light of available resources, and building on the improvements made during these challenging times, the Secretariat revised its capacity-building strategy to ensure greater and sustained impact for the benefits of developing jurisdictions.



6. A new capacity-building strategy for the widest impact

Capacity building is one of the core duties of the Global Forum Secretariat. It aims at supporting and enabling a rapid and effective implementation of the transparency and EOI standards by all members, in particular the developing ones. Beyond implementation, the objective is to ensure that developing members effectively benefit from the standards by fighting more efficiently tax evasion and other IFFs and ultimately by mobilising more domestic resources to finance their development.

Launched in 2011, the capacity-building programme has expanded over the years to cover new areas. It has intensified to support the growing membership of developing jurisdictions which now make up the majority of the members of the Global Forum.

In order to ensure a sustainable capacity-building programme, the Secretariat streamlined its resources to deliver the best possible assistance to members. Thanks to donors' support and cross-organisation co-operation, the increased demand for assistance has been met. The COVID-19 pandemic was an opportunity to brainstorm, innovate and develop new approaches and tools that have enriched the Secretariat's reflection.

In the perspective of the 10-year mark of its capacity-building programme, the Secretariat developed a new strategy¹ to achieve the greatest impact for the benefit of developing jurisdictions.

The objective is to ensure that developing jurisdictions receive the assistance they need to implement and benefit from transparency and EOI. To that end some key principles will be implemented or strengthened:

- **A comprehensive approach to capacity building** will be implemented by using in a coherent, organised and progressive manner all capacity-building instruments (i.e. knowledge development tools, training and technical assistance).
- **The mobilisation of all the energies is critical to bring effective change.** The Secretariat will continue to interact with relevant stakeholders, including civil society organisations, to educate, exchange and innovate. It will further deepen its coordination with technical partners to have a common message, build on synergies and avoid duplication. It will also strengthened its relationship with donors in order to exchange and share ideas to improve the programme.
- **Quality and impact assessment of the capacity-building programme is essential** and will continue to reflect additional revenues identified, structural reforms implemented and promotion of gender balance and to improve or adjust the delivery of the assistance.
- **The profile of developing jurisdiction requesting assistance will be also defined** to better understand their specific circumstances and better address their specific needs.

The objective is to ensure that developing members effectively benefit from the standards by fighting more efficiently tax evasion and other IFFs.

1. <http://www.oecd.org/tax/transparency/what-we-do/technical-assistance/Capacity-Building-Strategy.pdf>.

6. A new capacity-building strategy for the widest impact

The new strategy is based on three key pillars that support each other and generate synergies for a greater capacity-building impact:

- **Raising awareness** of decision-makers and senior officials whose support is critical to the success of the capacity building programme, as well as other relevant stakeholders.
- **Building knowledge and skills** through a better integration of development knowledge tools into capacity building work and a new training policy.
- **Supporting the implementation and effective use of EOI.** In addition to assistance on request, a proactive approach will be put in place to help developing countries identify their needs in a timely manner or exploit their potential. The differentiated approach between tailored assistance for experienced members and induction programme for new members will continue. A modular approach will be followed to divide a technical assistance programme into several coherent and logical modules with specific actions, timeframes and objectives to be achieved. This approach would allow for better management of resources and the establishment of a rapid reaction mechanism to intervene when a module does not progress as agreed. Finally, a greater use of the hybrid assistance developed during the pandemic will offer a more agile approach.

The Secretariat's Plan of Action, developed to help developing jurisdictions implement AEOI,² will be adjusted as needed.

2. Global Forum Secretariat (2017), Plan of Action for Developing Countries' Participation in AEOI, available at <https://www.oecd.org/tax/transparency/plan-of-action-AEOI-and-developing-countries.pdf>.

7 | Annexes



ANNEX 1:

Trainings organised since December 2019

| Date | Title | Language | Partner organisations |
|----------------|--|--------------------|------------------------------|
| December 2019 | Last mile - Effective EOI from an auditor's perspective - Kenya | English | – |
| January 2020 | Last Mile - Regional EOIR and AEOI training seminar | English | ADB |
| February 2020 | Virtual seminar on transparency and EOI in Africa | English and French | AfDB |
| April 2020 | Virtual Last mile - EOI as a tool to combat offshore tax evasion – open to all regions | English | ADB |
| April 2020 | Virtual conference on the availability of beneficial ownership information in Africa | French | – |
| May 2020 | Virtual conference on the availability of beneficial ownership information in Africa | English | ATAF |
| June 2020 | Virtual conference on the availability of beneficial ownership information in Latin America | Spanish | CIAT, IDB |
| June 2020 | Virtual workshop on illicit financial flow – open to all regions | English | ATAF, UNECA, OECD |
| July 2020 | Virtual training on EOI fundamental concepts and practical application – Indonesia | English | ADB |
| July 2020 | Virtual workshop on availability of beneficial ownership information in Ghana | English | – |
| July 2020 | Virtual workshop on availability of beneficial ownership information | Spanish | – |
| August 2020 | Virtual workshop on AEOI for Nigeria | English | – |
| September 2020 | Virtual conference on the availability of beneficial ownership for Asia Pacific | English | ADB |
| October 2020 | Virtual Kick-off Pacific Initiative and MAAC / EOIR training | English | ADB, PITAA, ATO, WBG, NZ-IRD |
| October 2020 | Virtual workshop on the implementation of the beneficial ownership information requirements in Uganda | English | – |
| October 2020 | Virtual seminar on the implementation of the standard for EOIR in Namibia | English | ATAF |
| October 2020 | Virtual Last mile seminar for Central American countries | Spanish | – |
| November 2020 | Virtual Last Mile training on EOI and MAAC for ECOWAS countries and Mauritania | English and French | ECOWAS |
| November 2020 | Virtual workshop on the MAAC for Seychelles | English | – |
| November 2020 | Virtual training on the implementation of the EOI standard with a focus to set up an EOI unit for Zambia | English | ATAF |
| November 2020 | Virtual workshop on the AEOI Pilot Project for the Philippines | English | ADB, ATO |

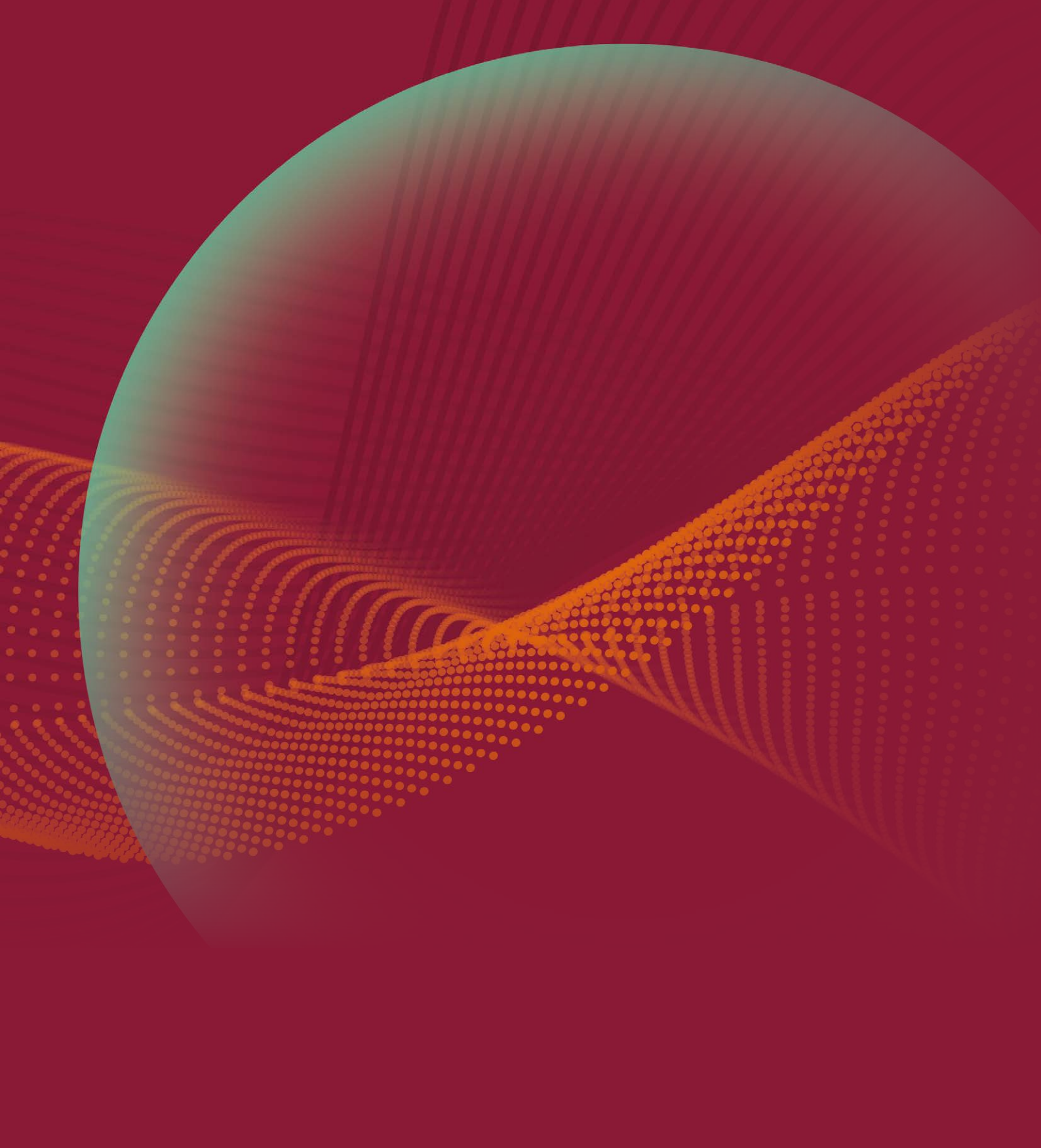
| Date | Title | Language | Partner organisations |
|---------------|---|---------------------|-----------------------|
| November 2020 | Virtual multilateral AEOI experience-sharing workshop (Australia, Indonesia, Malaysia, Philippines, Thailand) | English | ADB, ATO |
| November 2020 | Virtual EOI training seminar for SGATAR members | English | ADB, SGATAR |
| November 2020 | Virtual AEOI training for Caribbean and Central American region and Jersey, Guernsey, Ile of Man | English | – |
| December 2020 | Virtual Last mile seminar for Latin American countries | Spanish | – |
| December 2020 | Virtual conference on the availability of beneficial ownership for Europe, Central Asia and Middle East | English and Russian | – |

ANNEX 2:

Trainings evaluation

| Rating of knowledge before, and after the training | Average knowledge rating (1: Not familiar, 3: Medium, 5: Advanced) |
|--|---|
| Before the training | 2.8 |
| After the training | 4.1 |

| Satisfaction rating - Template statements | Average rating (1: Strongly disagree, 3: Neutral, 5: Strongly agree) |
|--|---|
| The content was well-organized and easy to follow | 4.4 |
| The program achieved its stated objectives | 4.4 |
| Instructors were clear and effective in the delivery of course content | 4.5 |
| Instructors were approachable and responded to questions well | 4.5 |
| Participation and interaction were encouraged | 4.4 |
| Training materials were clear and adequately covered the program content | 4.4 |
| Case studies were good and improved my understanding of the subject | 4.4 |
| The time allotted for the training was sufficient | 3.9 |
| The facilities were adequate and comfortable | 4.1 |
| I will recommend this program to others | 4.6 |
| Average | 4.4 |



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