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PTN eUpdates – Keeping you informed (Issue 13 – March 2009)

More Countries Endorse OECD Standard for Exchange of Information

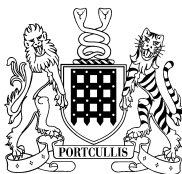
The purpose of OECD's Agreement on Exchange of Information on Tax Matters is to promote international co-operation in tax matters through exchange of information. The Agreement grew out of the work undertaken by the OECD to address harmful tax practices (see the 1998 OECD Report "Harmful Tax Competition: An Emerging Global Issue")

Major financial centers have recently endorsed the Agreement. Austria, Luxembourg and Switzerland have announced that they will adopt in their tax treaties an internationally agreed standard of exchange of information developed by the OECD. Andorra and Liechtenstein have said they will be moving in the same direction. Belgium, which already signaled a move towards the international standard last year with a bilateral tax treaty with the U.S., said it would be adopting the same approach in other tax treaties.

Among other recent moves:

- Singapore has announced that it endorses the principles and standards for transparency and exchange of information agreed by a majority of OECD countries and several dozen non-OECD countries and territories and will introduce legislation by mid-2009 that will allow it to implement them.
- Hong Kong has announced that it will introduce a bill in mid-2009 to allow it to negotiate agreements implementing the OECD standard for effective exchange of information.
- The Isle of Man has signed a tax information exchange agreement with Germany, raising to 13 the number of such pacts that it has with other economies.

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- Liechtenstein, which has already signed a tax information exchange agreement with the United States, has announced its acceptance of the OECD standards and its willingness to negotiate agreements that provide for effective exchange of information in all tax matters.
- The Cayman Islands has announced that it will sign tax information exchange agreements with seven Nordic economies on 1 April, 2009, bringing to eight the number of such agreements that it has with other economies.

Altogether, since G-20 leaders signaled their determination at their summit in Washington last November to combat cross-border tax evasion, more than 20 bilateral tax information exchange agreements have been signed between different partners.

For more information:

The Agreement can be viewed at:

www.oecd.org/dataoecd/15/43/2082215.pdf

The 1998 OECD Report “Harmful Tax Competition: An Emerging Global Issue” can be viewed at:

www.oecd.org/dataoecd/33/1/1904184.pdf

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