

AUSTRALIA CONTINUES ROLE AS GLOBAL LEADER AGAINST TAX HAVENS

A month after Australia was elected chair of the Global Forum on tax transparency and information exchange, the Assistant Treasurer, Senator Nick Sherry, has today addressed an international forum on tax evasion associated with the Annual Meetings of the International Monetary Fund (IMF) and World Bank.

The Assistant Treasurer joined Norway's State Secretary for International Development, Håkon Arald Gulbrandsen and Germany's Minister for Economic Cooperation and Development, Heidemarie Wieczorek-Zuel, to jointly address the Tax Evasion and Revenue Policy in Development Finance Forum.

"Since the impact of the global financial crisis and global recession hit the world economy, the international community has taken unprecedented steps to stamp out tax havens and international tax abuse," said the Assistant Treasurer.

"Australia's election to the role of chair of the significantly reformed and boosted Global Forum on tax transparency illustrates exactly how seriously the Rudd Government is taking its leadership role in shifting international attitudes, and I took the opportunity today to reinforce this to my international colleagues."

"Left unaddressed, tax havens and tax evasion are a critical integrity 'weak point' in the international financial system, and we are leading the charge to do more."

"We must clean the international system of tax havens."

Of the 110 tax information exchange agreements that have been signed in the last two years, eight have been signed by Australia, representing over 7% of the global total. In addition, Australia is currently in the final stages of negotiations with several more jurisdictions to sign further new agreements.

"Tax havens and tax evasion offend the basic sensibility of hard working Australians, the overwhelming majority of who pay their taxes."

"In addition, as we discussed today, these actions have an acute impact on developing countries, particularly those that try to do the right thing."

"Oxfam recently reported that developing countries lose an estimated US\$124 billion per year in tax income from assets located offshore."

"With figures like that at stake, the amount of economic and human development that is foregone as a result of this leakage is simply staggering."

"That is why Australia, as Global Forum chair, will push hard to see the new agreed tax transparency peer review system put rapidly in place. That way we can collectively move forward with ensuring our developing country partners can meet global standards and also collect their fair share of domestic tax revenues."

"This is the case for all developing jurisdictions, but today I drew particular attention to the Pacific, where we are working hard to lift tax transparency standards."

The seven foreign jurisdictions to have signed a tax information exchange agreement with Australia are Bermuda, Antigua and Barbuda, the Netherlands Antilles, the British Virgin Islands, Jersey and the Isle of Man.

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