

Monica Bhatia  
Head of Secretariat  
Global Forum on Transparency and Exchange of Information for Tax Purposes  
Organization for Economic Cooperation and Development  
2 rue André Pascal, 75116 Paris

17 May 2016

Subject: Strengthening anti-corruption and anti-money laundering efforts by broadening the scope of an existing information exchange agreement.

Dear Ms. Bhatia,

The Financial Transparency Coalition shares your commitment in advancing Automatic Exchange of Financial Information globally. To this end we are writing to recommend a simple measure to strengthen the impact of this measure.

Recent publications, including the Panama Papers, have shown the widespread existence of financial crimes involving secrecy, or non-cooperative, jurisdictions. This demands urgent action. Corruption and money-laundering have devastating effects in all countries, especially developing countries. They significantly affect state revenues, economic justice, democracy and can undermine social order.

**Our proposal involves increasing the information available to improve the fight against corruption and money laundering, at no extra costs for countries** – it simply requires that bank account information sent to tax authorities may also be shared with law enforcement agencies and other relevant government authorities.

Currently this information is restricted for use for tax purposes only, yet it is clear that information on foreign bank account holdings will also be of great value in identifying and prosecuting cases of corruption.

This is why we are calling on governments to sign the attached declaration to authorize that the information to be sent pursuant to the OECD's Common Reporting Standard (CRS) may be shared by the recipient jurisdictions with other relevant government authorities to tackle corruption and money laundering even if not related to tax purposes, provided the same standards of confidentiality and safeguards for the protection of personal data are respected.

Should you require any further information on this proposal please contact Pooja Rangaprasad at [pooja@financialtransparency.org](mailto:pooja@financialtransparency.org)

Yours Sincerely,



Porter McConnell  
Director, Financial Transparency Coalition

## **ANNEX**

### **AEOI Anti-Corruption Declaration**

Whereas recent publications, including the Panama Papers, have shown the widespread existence of financial crimes involving tax havens and their financial and corporate systems, demanding urgent action;

Whereas corruption and money-laundering have devastating effects in all countries, significantly affecting state revenues, economic justice, democracy and social peace;

Whereas jurisdictions have agreed to exchange information automatically pursuant to the OECD's Common Reporting Standard (CRS) and have signed the Multilateral Competent Authority Agreement (MCAA) in that effect;

Whereas the MCAA operationalizes the legal framework for automatic exchange of information (AEOI) based on the Council of Europe / OECD Convention on Multilateral Administrative Assistance in Tax Matters (Multilateral Tax Convention);

Whereas the Multilateral Tax Convention limits the use of received information to tax purposes, unless the sending jurisdiction authorizes other uses;

Whereas the information to be exchanged pursuant to the CRS, especially balance accounts and beneficial ownership information will be extremely valuable for the fight against corruption and money laundering, even if no tax evasion is taking place;

Therefore:

“The below-signing jurisdictions hereby declare that they authorize that the information to be sent pursuant to the CRS may be shared by the recipient jurisdictions with other local authorities, i.e. law enforcement agencies and financial intelligence units, to tackle corruption and money laundering, even if not related to tax purposes, as long as the same standards of confidentiality and safeguards for the protection of personal data are respected.

The present Declaration shall be incorporated to the MCAA as an additional Annex to be published by the OECD”