

Executive Summary

As the world emerges from the COVID-19 pandemic, tax and other financial crimes are more global than ever which, if unchecked, can undermine the rule of law as well as public confidence in the legal and financial system. Technological developments are also leading to the emergence of new risks including through the growth of cybercrimes, the increasing misuse of cryptocurrencies and a new breed of sophisticated professional enablers able to create opaque structures and move money increasingly in real-time.

As the world recovers from the effects of the pandemic, fighting tax crimes takes on a new imperative. This calls for increasing international co-operation and for all jurisdictions to have a robust domestic set of legal and operational tools in place to effectively detect, disrupt and sanction tax crime offenders and the enablers of tax crime.

In support of these objectives, this guide updates the first edition of the Ten Global Principles for Fighting Tax Crimes, which has been highly influential in providing an internationally recognised framework against which countries can benchmark themselves and take inspiration. The Ten Global Principles cover the full range of tools that countries should strive for, from having comprehensive laws in place that criminalise tax offences, to the establishment of an overarching tax crime strategy for detecting threats and targeting criminal activity, as well as having the mechanisms in place to confiscate the proceeds of the offence after a conviction.

This new edition of the Ten Global Principles provides an update on their implementation around the globe, with 33 country chapters setting out both the progress that has been made as well as recommendations for further improvements. The report also highlights the value of tax crime investigation agencies, both in monetary terms and in the impact they have on the disruption of crime and on maintaining public confidence. While this report calls for granting tax crime agencies a wide range of investigative and enforcement powers, it also stresses the importance of suspects' rights in the course of an investigation, including the presumption of innocence, the right to a lawyer, and access to full disclosure of incriminatory evidence.

Drawing from the first edition, published in 2017, from further work by the OECD Task Force on Tax Crimes and Other Crimes (TFTC), and from inputs received by 33 jurisdictions, the second edition of the Ten Global Principles shows that, overall, jurisdictions continue to enhance their abilities to tackle tax crime, both domestically and internationally. All surveyed jurisdictions have comprehensive laws in place that criminalise tax offences, and the ability to apply strong penalties, including lengthy prison sentences, substantial fines, asset forfeiture and a range of alternative sanctions. Jurisdictions generally have a wide range of investigative and enforcement powers in place as well as access to relevant data and intelligence. Nearly all participating jurisdictions consider tax crimes as predicate offences for money laundering. Suspects' rights are nearly universally understood in the same way and enshrined in law.

However, as noted above, tax crimes are changing as criminals employ new technology tools and cross-border offences are becoming more widespread. The second edition of this report underlines that jurisdictions need to engage actively in cross-border co-operation in the fight against tax crimes, including

through the use of information-sharing mechanisms, and by incorporating counter-strategies against professional enablers into their national strategies. As cases become more complex, setting up joint taskforces and intelligence-sharing groups, both in the domestic and international arena, becomes increasingly important.

Recommendations

This new edition of the 10 Global Principles guide recommends that jurisdictions benchmark themselves against each of the Principles. This includes identifying areas where changes in law or operational aspects are needed, such as increasing the type of investigative or enforcement powers, expanding access to other government-held data, developing or updating the strategy for addressing tax offences, and taking greater efforts to measure impacts.

It also recommends that jurisdictions that have committed to support capacity building for developing jurisdictions in tax matters, including through the [Addis Tax Initiative](#) or the [G7 Bari Declaration](#), consider how they can best work with developing jurisdictions to enhance tax crime investigation and promote the wider adoption of the Ten Principles. Options include providing expert trainers for the [OECD International Academy for Tax and Financial Crime Investigation](#), joining the pilot [Tax Inspectors without Borders programme for Criminal Investigations](#), supporting the roll-out of the [Tax Crime Investigation Maturity Model](#) and through other regional or bilateral initiatives.

The Task Force on Tax Crimes and Other Crimes (TFTC) will continue its work in facilitating international co-operation on fighting tax crime, particularly on issues where multilateral action is required to address common challenges, such as asset recovery and tackling professional enablers.

This could also include collaborating to create an agreed strategy for addressing tax crimes that have cross-border elements. Drawing from the experience of existing initiatives, such a strategy could include mechanisms for cooperation on identifying risks, including potentially widening available data sources, and for ensuring that data and information sharing agreements are available and work well in practice.



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