Preface

As Chair of the OECD Task Force on Tax Crimes and Other Crimes (TFTC), I am honoured to present the second edition of *Fighting Tax Crime – The Ten Global Principles*. The new edition includes counter-strategies for tackling professionals who enable tax and other white collar crimes, successful case studies on recovering virtual assets (such as crypto-currencies) and best practices in international co-operation in the fight against tax crimes. It further compiles country reports of 33 jurisdictions, including 27 OECD members. All of these jurisdictions are working with the shared aim of the full global implementation of the Ten Global Principles, establishing a common tax enforcement and tax investigation standard to enhance international cooperation, and build trusted relationships between the organisations responsible for tax crime investigation. These Ten Global Principles are now complemented by the Tax Crime Investigation Maturity Model, allowing jurisdictions to self-evaluate to what extent the Ten Global Principles are implemented and practised in their domestic tax investigation branch, and providing them with a clear pathway to possible further improvements.

The TFTC, founded in 2010 as a successor to the small Sub-Group on Tax Crimes and Money Laundering, also deals with issues closely related to, and often intertwined with tax crime, such as money laundering, terrorism financing and corruption, as well as cross-cutting issues such as the “whole of government approach” set out in the OECD Oslo Dialogue. The list of reports published by the TFTC over the last ten years is impressive and these reports and other material relevant to the fight against tax crime and other crimes can be found on the OECD website.

For more than 20 years I have been the Head of the Strategic Anti-Fraud Division of the Federal Ministry of Finance in Austria, and I have to say that the creation of the TFTC, a unique body then and now, was a hugely important milestone in enhancing the international efforts to tackle tax crime and other crimes. I look back with pride on my involvement as in this group and its extensive work programme from the outset.

An outstanding achievement of the OECD’s work in the enforcement area is connecting the fight against tax crimes with the fight against money laundering. The OECD Council Recommendations on tax measures for further combatting bribery of foreign officials in international business transactions, and to facilitate co-operation between tax and other law enforcement agencies to combat serious crimes, represent crucial steps for effective sharing of information between tax administrations, other law enforcement agencies and financial intelligence units. Furthermore, it is encouraging to see the OECD working on expanding international co-operation in the fight against tax crimes, including in the recovery and repatriation of assets that are derived of tax crimes.

For the future, I will take this opportunity to highlight three priority areas in particular.

First, the importance of supporting developing countries and their tax administrations in building capacity for successful tax crime investigations. In a world increasingly economically interlinked, economic and financial threats such as cross-border VAT and other forms of tax fraud, money laundering, corruption and illicit financial flows, affect all jurisdictions, both developed and developing. Furthermore, without a full range of instruments and capacities to fight tax crimes, developing countries may struggle to secure a more sustainable economic future. Consequently, the OECD International Academy for Tax and Financial Crime Investigation was launched in 2013 in Ostia, followed in the years between 2017 and 2019 by the establishment of regional centres for Africa in Nairobi, for Latin America in Buenos Aires and for Asia-Pacific in Tokyo. My sincere hope is that the Academy functions as a knowledge hub for all developing and developed countries, enabling them to better fight tax evasion and other tax crimes, including international tax schemes and illicit financial flows.

Second, we need to look closely at the effectiveness of current information sharing practices and policies. While it is, of course, of great importance to safeguard the confidentiality of taxpayer information, this can be an important source in risk assessing for tax crimes and money laundering. In particular, I believe we should look further at how the extensive information on financial accounts held by taxpayers outside of their jurisdiction of residence, that is now exchanged automatically under the OECD Common Reporting Standard, can also be accessed in a timely and efficient manner by financial intelligence units. There are, of course, a number of important issues to be considered, but I hope that the TFTC can help to build an evidence base of why the sharing of such information can be an important tool in tackling tax crime.

Third, and in a similar vein, I hope that the TFTC can also provide impetus to deliberations on the sharing of beneficial ownership information between criminal investigators, hopefully in closer to real-time. Many crimes are facilitated through shell companies which operate across multiple jurisdictions. Under traditional exchange of information request procedures, the time required to track such companies and understand the intricate linkages that can exist, can end up frustrating criminal investigations in some cases. In an interconnected world, where technology can achieve so much so quickly, this is an area where we can surely do better.

Finally, may I again commend to you the second edition of the Ten Global Principles, which should guide us and our partner administrations on how to work most effectively together in the fight against tax crime. Let’s continue to collaborate, communicate and cooperate.

Herwig Heller

Chair 2019-2021, OECD – TFTC

Director of Anti-Fraud, Federal Ministry of Finance of Austria

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