



OECD's Efforts to help all countries fight tax crimes, tax evasion and other economic crimes

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Tax and Crime

The OECD Task Force on Tax Crimes and Other Crimes (TFTC) was established in 2010 to:

- (i) improve co-operation between tax and law enforcement agencies to counter crimes more effectively;
- (ii) improve the ability of tax administrations to identify, investigate and disrupt tax crime and other serious crimes; and
- (iii) raise global awareness of the links between tax crime and other serious crimes.



The Oslo Dialogue

- Tax offences, commercial fraud, smuggling, money laundering and other illicit financial crimes threaten the strategic, political and economic interests of countries.
- The Oslo Dialogue was launched at the first Forum on Tax and Crime held in Oslo in March 2011 to encourage greater co-operation in combating all forms of financial crime.
- Brings together representatives from: ministries of justice and finance; tax administrations; law enforcement agencies; anti-money laundering authorities; anti-corruption authorities; and financial regulators.



The Oslo Dialogue: The second Forum on Tax and Crime

- Second Forum on Tax and Crime held in Rome, Italy in June 2012, hosted by Guardia di Finanza
- Attended by over 250 delegates from 60 jurisdictions, international organisations (incl. World Bank, IMF, FATF and United Nations), NGOs (incl. Transparency International and Global Financial Integrity) and private sector organisations
- G20 Leader's Summit in Los Cabos: *“We also welcome the efforts to enhance inter-agency co-operation to tackle illicit flows including the outcomes of the Rome meeting of the Oslo Dialogue”*



The Oslo Dialogue: The three main pillars

1. Effective **inter-agency co-operation** between tax, regulatory and law enforcement agencies is vital.
2. Addressing financial crime in a globalised world requires **international co-operation**, including and sharing of information between countries.
3. Countering financial crimes requires knowledge of **strategic and practical investigation techniques**.

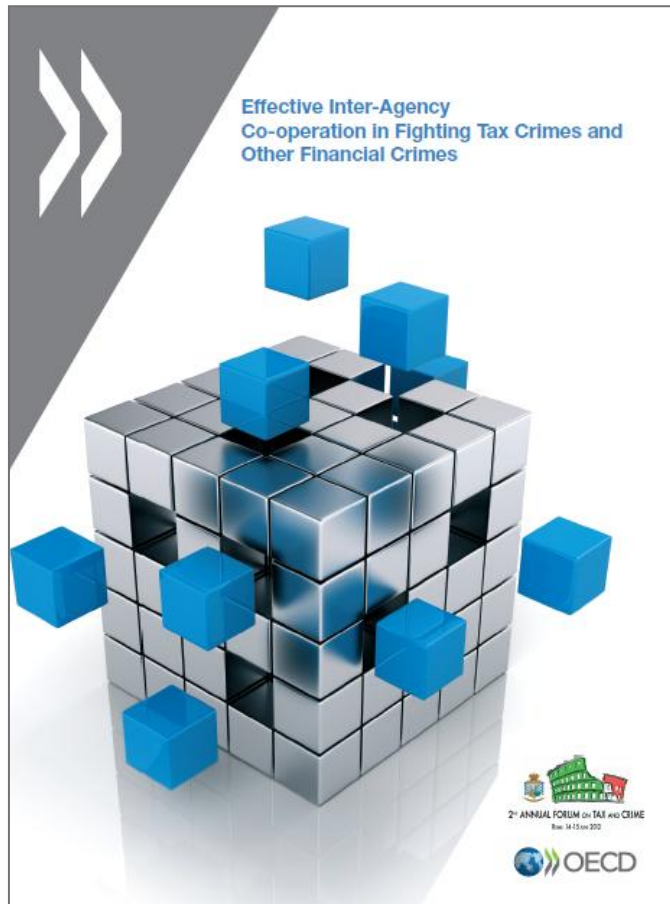


Effective Inter-agency Co-operation in Fighting Financial Crimes

- Financial crimes are growing in sophistication and criminal activity may violate different laws and impact different areas of government interest.
- The fight against financial crime comprises different stages: prevention; detection; investigation; prosecution; and recovery of criminal property.
- Government agencies involved in the fight against financial crime include the tax administration; customs; police and law enforcement agencies; the Financial Intelligence Unit; public prosecutors and financial regulators.



Effective Inter-agency Co-operation in Fighting Financial Crimes



- OECD launched report at second international Forum on Tax and Crime in Rome, in June 2012.
- Contains in-depth analysis of inter-agency co-operation in 32 countries.
- Analyses gateways and mechanisms for co-operation between tax administrations, law enforcement, FIUs and financial regulators.
- Identifies successful practices and makes recommendations for improvements.



Effective Inter-agency Co-operation in Fighting Financial Crimes

- The activities of different agencies in fighting financial crime do not operate in isolation.
- Effective inter-agency co-operation in fighting financial crime can deliver better results, in shorter time frames, with lower costs and using fewer resources.
- Important gaps in national legislation and practices still prevent effective co-operation among tax, regulatory and law enforcement agencies.



Effective Inter-agency Co-operation in Fighting Financial Crimes

- In many countries, barriers restrict the tax administration sharing information with law enforcement for investigating non-tax crimes:
 - In 11 countries (including **Canada** and **the US**), the tax administration has no obligation to report suspicions of non-tax crimes to law enforcement.
 - In 2 countries (Germany and New Zealand) the tax administration is forbidden from sharing any tax information with law enforcement for investigating non-tax crimes.
 - On the other hand, in **Chile** the public prosecutor has direct access to tax return information held by the tax administration through a secure website



Effective Inter-agency Co-operation in Fighting Financial Crimes

- Policies in sharing tax information with FIUs vary widely between countries:
 - 4 countries (Czech Republic, Greece, Italy and Turkey) allow the FIU direct access to at least some information held by tax administration
 - In 13 countries (including **Mexico**) the tax administration must report suspicions of money laundering / terrorist financing to the FIU
 - In **Chile**, the tax administration may only share tax information with the FIU where judicial consent has been granted
 - 4 countries (Australia, Japan, New Zealand and **the US**) have a strict prohibition on sharing tax information with the FIU



Effective Inter-agency Co-operation in Fighting Financial Crimes

- **There is no single solution.** Strategies to improve co-operation must operate within the broader context of a country's legal framework, administrative practices and culture. This should not be a barrier to an appropriate strategy being effective.
- **Sharing information is a necessary condition** for effective co-operation. This may be through direct access, or providing information automatically, spontaneously or on request.
- **Models for enhanced co-operation** include use of joint investigations teams, inter-agency intelligence centres, co-location of personnel and shared central databases.



Effective Inter-agency Co-operation in Fighting Financial Crimes

Project Wickenby (Australia)

- Multi-Agency task force established in 2006
- Led by Australian Tax Office, also includes police, FIU, public prosecutor, securities commission and criminal intelligence (among others)
- Works with Australian and international authorities to combat abusive arrangements involving: secrecy havens, tax evasion, money laundering and concealment of income
- To 30 June 2012, 67 people had been charged with crimes as a result of Project Wickenby investigations, resulting in 26 convictions and additional tax liabilities raised of AU\$1.36bn



Effective Inter-agency Co-operation in Fighting Financial Crimes

Grey Economy Information Unit (Finland)

- Established in 2011 within the tax administration
- Operates as a centralised body for producing and disseminating intelligence reports to other government agencies, including on request
- Targets criminal activity including tax evasion, customs offences, social security fraud etc
- GEIU has very wide powers to access information, beyond those normally held by tax administration



Effective Inter-agency Co-operation in Fighting Financial Crimes

Co-ordinated Response to STRs (Ireland)

- Irish tax administration has statutory right to receive copies of all Suspicious Transaction Reports concerning possible money laundering
- Close co-operation between tax and law enforcement includes meetings every 6 weeks to discuss STRs and joint meetings with reporting entities to ensure a consistent, coherent and unified strategy is presented
- Co-ordinated strategy to raise awareness of the obligation to report suspected money laundering of the proceeds of tax crime resulted in an increase in STRs from 3,000 in 2004 to 14,000 in 2007
- To date, strategy has resulted in 578 additional civil tax assessments and 25 ongoing criminal prosecutions



Effective Inter-agency Co-operation in Fighting Financial Crimes

Brigade Nationale de Répression de la Délinquance Fiscale (France)

- Established in 2011 as a new law enforcement agency, comprising both police and tax officials
- Aimed at major tax frauds and related offences, money laundering, organised crime etc.
- Combines tax expertise with police powers, such as conducting searches and phone tapping
- Police assigned to the BNRDF receive specialist tax and finance training / Tax officials receive specialist police training



Effective Inter-agency Co-operation in Fighting Financial Crimes

- In 2013, report will be revised and expanded to include:
 - More detailed analysis of inter-agency co-operation between agencies involved in combating illicit flows
 - Country specific chapters to complement the comparative analysis.
 - Greater country coverage, including developed and developing countries from all geographical regions.
 - Best practices drawn from all participating countries and recommendations for implementing effective co-operation



Cooperación eficaz entre organismos en la lucha contra delitos financieros

- New countries to be included in 2013:

Azerbaijan, **Brazil**, Burkina Faso, China, **El Salvador**, Estonia, Ghana, Hungary, Latvia, Malaysia, **Panama**, **Peru**, Serbia, and Uganda

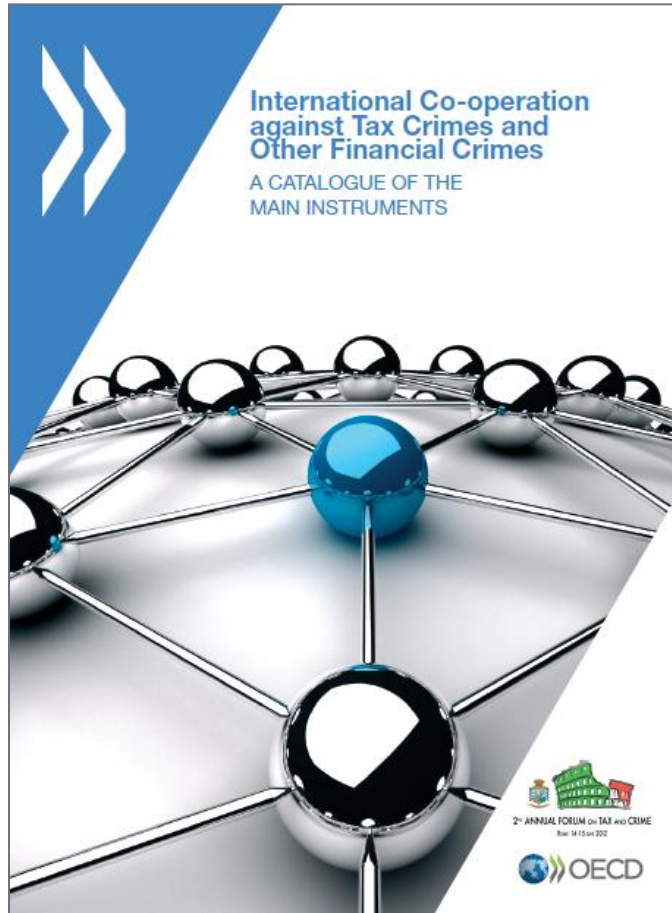


International co-operation: A catalogue of main instruments

- Serious legislative, policy and operational gaps exist which often prevent effective international cooperation.
- There is a need to standardize processes and channels and to ensure relevant information can be shared between one type of agency in one country with a different type of agency in another country, removing unnecessary restrictions, while always respecting confidentiality and the protection of personal data.
- A comprehensive catalogue of key instruments for international cooperation in combating financial crime has been launched to assist agencies seeking cooperation



International co-operation: A catalogue of main instruments



- Contains details of international co-operation instruments related to tax, anti-money laundering, anti-corruption; and regulation and supervision, and other mutual legal assistance instruments.
- Aims to improve the understanding and use of international co-operation mechanisms.
- Future work will focus on removing barriers to co-operation in fighting financial crime.



Pilot training programme for criminal tax investigators

- Countering financial crimes requires knowledge of laws and regulations, as well as strategic and practical investigation techniques, information gathering, financial analysis and identifying and tracing the proceeds of crime.
- It is important to recognize the needs of different countries in building their capabilities to combat illicit financial activities. Tools should be developed that reflect the different issues and priorities in different countries and that can be tailored to the specific needs of different countries.
- A pilot programme was launched at Rome, aimed at developing the skills of criminal tax investigators in different countries to detect and combat financial crimes.



Pilot training programme for criminal tax investigators



- Launched jointly by OECD, Guardia di Finanza and IRS Criminal Investigations, with financial support from Norway
- Pilot comprises 4 week foundation course on basic investigative techniques, plus 2 week intermediate course, to be held in 2013
- Aim of establishing international academy for criminal tax investigations



Pilot Capacity Building Programme

- Participating countries:
- Azerbaijan, **Brazil**, Cameroon, China, **Colombia**, **Costa Rica**, **El Salvador**, Estonia, Ghana, Greece, Italy, Kenya, Latvia, Luxemburg, Malaysia, Nigeria, **Panama**, Poland, Serbia, South Africa, Tunisia, Uganda, Ukraine



Pilot Programme





More information

<http://www.oecd.org/tax/taxandcrime/>

Thank you!

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