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**Committee of Experts on International  
Cooperation in Tax Matters  
Twenty-seventh session**

17-20 October 2023

Item 3(l) of the provisional agenda

**Increasing Tax Transparency.**

**Co-Coordicators' Report**

***Summary***

This report is presented for *discussion and approval* at the meeting of the Committee to be held in Geneva on 17-20 October 2023. It outlines the discussions held by the Subcommittee on Increasing Tax Transparency towards fulfilling its mandate and concluding the further prioritization of issues in its proposed workplan as requested by the Committee at the Twenty-sixth Session. It presents and requests the Committee's approval of the following as the three priority issues for its work moving forward in preparing draft guidance on increasing tax transparency: (1) exchange of information (EOI), including practical guidance for countries new to EOI; (2) use of exchanged information for non-tax purposes; and (3) assistance in collection. It further presents to the Committee for feedback a draft outline of a paper addressing these three issues.

Upon approval by Committee, the Subcommittee would commence work drafting guidance on these topics, with a view to submitting to the Committee a paper for first discussion at the Twenty-eighth Session.

## Background

1. At the Twenty-third Session of the Committee in October 2021, the Secretariat provided a paper on Increasing Tax Transparency ([E/C.18/2021/CRP.31](#)). That paper examined the role that the Committee could play in promoting and supporting tax transparency initiatives in developing countries. At this Session, the Subcommittee was established to address the issue of tax transparency in developing countries by: identifying gaps in existing work on information exchange in developing countries; identifying challenges faced in the implementation of international standards in exchange of information; proposing solutions to address the identified gaps and challenges; and advising on ways to provide technical support to developing countries to address those challenges.

2. In subsequent meetings, the Subcommittee reported on its proposed workplan, and the progress made towards this workplan. See the following relevant documents for reference:

- [Report on the Twenty-third Session](#)
- [E/C.18/2022/CRP.12](#)- Co-Coordinator's report presented to the Twenty-fourth Session.
- [Report on the Twenty-Fourth Session](#)
- [E/C.18/2022/CRP.32](#) - Co-Coordinator's report presented to the Twenty-fifth Session.
- [Report on the Twenty-fifth Session](#)
- [E/C.18/2023/CRP.5](#) - Co-Coordinator's report presented to the Twenty-sixth Session.
- [Report on the Twenty-sixth Session.](#)

3. At the twenty-sixth session, the Committee, noting the ambitious nature of the work plan, emphasized the need for further prioritization of the issues, as well as continued efforts to avoid duplication of work by other international and regional organizations involved in the work on tax transparency.

4. Since then the Subcommittee has continued to seek to leverage on the work that has already been done in this area, as well as to generally draw upon on experience and expertise of other organizations, including the Asian Development Bank (ADB), African Tax Administration Forum (ATAF), Inter-American Center of Tax Administrations (CIAT), Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum), and The World Bank Group (WBG), ensuring appropriate reference is made to existing guidance where available.

## Meetings of the Subcommittee

5. The Subcommittee held three virtual meetings on 28 April, 3 July, and 18 September 2023 to discuss the feedback received from the Twenty-sixth Session, as well as further prioritize areas and begin working on the proposed workplan, including the preparation of the outline below.

6. The participants in the Subcommittee noted that its work involved bridging the existing information gap in developing countries on available guidance in the area of tax transparency, and offering guidance in areas that were not addressed in existing guidance.

7. From this perspective, the Subcommittee identified the following topics to present to the Committee for its approval as the priority issues for the Subcommittee's workplan moving forward in preparing draft guidance on increasing tax transparency-

- Overview of Exchange of information.
- Practical guidance for countries that are new to EOI.
- Limitations and Challenges faced in addressing tax transparency.
- Use of exchanged information for non-tax purposes
- Assistance in collection

The Subcommittee also prepared a draft outline of a paper addressing these issues, presented in the Annex to this paper for the Committee's feedback.

8. It was also proposed that the Subcommittee consider topics like the relationship and complementarities between Common Reporting Standard (CRS) and the Foreign Account Tax Compliance Act (FATCA), in addressing Exchange of Information for a balanced guide. Additionally, it was suggested that on the topic of Automatic EOI, other aspects of AEOI like Country by Country Reporting and Exchange of tax rulings, should be addressed.

### **Issues**

9. The Committee is asked to approve the following as the three priority issues for its work moving forward in preparing draft guidance on increasing tax transparency: (1) exchange of information (EOI), including practical guidance for countries new to EOI; (2) use of exchanged information for non-tax purposes; and (3) assistance in collection.

10. The Committee is asked to provide feedback on the draft outline of a paper addressing these three issues, contained in the Annex to this paper.

### **Next Steps**

11. Upon approval by the Committee of the priority issues, the Subcommittee will take into consideration all the input and feedback received at the Twenty-seventh Session and prepare a draft paper to be submitted to the Committee for first discussion at its Twenty-eighth Session.

**DRAFT OUTLINE OF PAPER ON INCREASING TAX TRANSPARENCY**

<b>Chapter</b>	<b>TOPIC</b>
1.	<b>Introduction</b> <ul style="list-style-type: none"> <li>- Importance &amp; Potential benefits of increased tax transparency</li> <li>- Limitations and Challenges faced by jurisdictions in efforts to increase tax transparency</li> <li>- Ongoing work by various organizations on increasing tax transparency <ul style="list-style-type: none"> <li>• UN</li> <li>• Global Forum (introduction to the work of the GF)</li> <li>• CIAT Initiatives</li> <li>• ADB initiatives</li> <li>• ATAF initiatives</li> <li>• WBG initiatives</li> </ul> </li> </ul>
2.	<b>Exchange of Information (EOI)</b> <ul style="list-style-type: none"> <li>• Purposes of EOI</li> <li>• Legal Basis &amp; Obligation to exchange</li> <li>• Forms of exchange</li> <li>• Information to be exchanged (including beneficial ownership information)</li> <li>• Practical guidance for countries that are new to EOI <ul style="list-style-type: none"> <li>- Setting up EOI Units</li> <li>- Information gathering</li> <li>- Impact assessment</li> <li>- Data Confidentiality and protection of taxpayers' rights</li> </ul> </li> </ul>
3.	<b>Use of tax treaty exchanged information for non-tax purposes</b> <ul style="list-style-type: none"> <li>• Benefits and opportunities</li> <li>• Legal basis/provisions</li> <li>• Challenges &amp; Limitations</li> <li>• Current Status</li> </ul>
4.	<b>Assistance in Collection</b> <ul style="list-style-type: none"> <li>• Benefits and opportunities</li> <li>• Legal Basis/provisions</li> <li>• Practical /Administrative steps</li> <li>• Challenges &amp; Limitations</li> <li>• Current Status</li> </ul>