

# OECD SECRETARY-GENERAL REPORT TO G20 FINANCE MINISTERS

Washington D.C.  
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# G20

A globe icon representing the number 0 in G20, showing the Americas and parts of Europe and Africa.



# **OECD SECRETARY-GENERAL REPORT TO THE G20 FINANCE MINISTERS AND CENTRAL BANK GOVERNORS**

**WASHINGTON D.C.**

**OCTOBER 2016**

This report consists of two parts. Part I is a Progress Report to the G20 by the Global Forum on Transparency and Exchange of Information for Tax Purposes. Part II is an update report by the OECD Secretary-General regarding tax transparency, with a focus on beneficial ownership information.

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Note by Turkey: The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the “Cyprus issue”.

Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

## Introduction

At the G20 Summit in Hangzhou in September, the progress made over the last 12 months on the international tax agenda was firmly endorsed by the Leaders. The success in establishing the new G20/OECD Inclusive Framework on BEPS was acknowledged, the agreement to develop a list based on objective criteria of non-cooperative jurisdictions on the agreed tax transparency standards was affirmed, and the new pillar of work relating to tax policy was encouraged, with a focus on innovation-driven and inclusive growth tax policies and enhancing tax certainty.

With the most last G20 Finance Ministers meeting taking place only recently, this report is a targeted update on tax transparency, specifically, the issue of beneficial ownership information. Part I of my report delivers the initial proposals on ways to improve the implementation of the international standards on transparency made by the OECD-hosted Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum), responding to your call in April 2016. They are complemented by the proposals also to be made at this October meeting by the Financial Action Task Force (FATF).

The Global Forum's proposals are made up of three components: (i) focusing on the beneficial ownership information requirements during the Global Forum's peer review process; (ii) enhancing the cooperation between the Global Forum and the FATF to ensure coherence and mutual reinforcement; and (iii) engage with relevant bodies, including the FATF and the OECD, to develop examples of best practice in effective implementation, and provide technical assistance where necessary.

Part II of this report provides you with an outline of the OECD's expertise on tax transparency developed through its establishment of the international standards, including to ensure the integration of the FATF beneficial ownership standard in the tax area. It also sets out a number of complementary areas of tax work relating to beneficial ownership information which the OECD, together with G20 countries and drawing on its in-depth experience, could undertake, working alongside the Global Forum and the FATF.

At your next meeting, under the Germany G20 Presidency, I look forward to once again providing you with a comprehensive update of the OECD's work undertaken in partnership with the G20 on the international tax agenda.



# PART I

GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF  
INFORMATION FOR TAX PURPOSES

**Initial proposals on ways to improve the  
implementation of the international  
standards on transparency**





## Executive summary

### **Initial proposals on ways to improve the implementation of the international standards on transparency, including on the availability of beneficial ownership information, and its international exchange**

At their meeting on 13 April 2016 in Washington D.C., the G20 Finance Ministers called on the FATF and the Global Forum on Transparency and Exchange of Information for Tax Purposes to make initial proposals by their October meeting on ways to improve the implementation of the international standards on transparency, including on the availability of beneficial ownership information, and its international exchange.

The growing political attention in relation to these issues, including the increasing recognition that the implementation of the standard in beneficial ownership could be improved, comes at a key time for the Global Forum with the FATF's widely accepted international standard on beneficial ownership having recently been incorporated into its tax transparency standards. The Global Forum therefore has a key role to play in improving the implementation of the international standards in transparency and beneficial ownership as they relate to exchange of information for tax purposes, building on its extensive experience in conducting peer reviews assessing the effective implementation of the international tax transparency standards.

This report provides the Global Forum's initial proposals on how it can contribute to this agenda. The proposals are built around three pillars:

1. **Peer reviews with a particular focus on the effective implementation of the beneficial ownership standard:** Peer reviews against the Global Forum standards will ensure a level playing field and drive forward their effective implementation, including in relation to legal and beneficial ownership information and its international exchange for tax purposes.
2. **Enhanced cooperation between the FATF and the Global Forum to further ensure coherence and mutual reinforcement of our work:** This is to maximise the opportunities to ensure our work is mutually supportive and promote clear and consistent recommendations to improve implementation by our members.
3. **Engage with relevant bodies (e.g. the FATF and the OECD) to compile and disseminate examples of effective implementation and providing assistance:** Examples of effective implementation for ensuring the availability, timely access to and exchange of accurate and reliable legal and beneficial ownership information for tax purposes will be identified and disseminated, and technical assistance will be provided as necessary.

## Introduction

1. At their meeting on 13 April 2016 in Washington D.C., the G20 Finance Ministers made the following call (which was repeated at their meeting on 22-23 July 2016 in Chengdu):

***“We ask the FATF and the Global Forum on Transparency and Exchange of Information for Tax Purposes to make initial proposals by our October meeting on ways to improve the implementation of the international standards on transparency, including on the availability of beneficial ownership information, and its international exchange.”***

2. The initial proposals contained in this report were developed through consultation with the Global Forum membership (consisting of 135 members) and the Financial Action Task Force (FATF), including a discussion on the work at the FATF Plenary in Busan on 22-24 June 2016. The FATF is also reporting separately on its initial proposals to the G20, into which the Global Forum has provided input. The Global Forum will continue to work closely with the FATF as the work develops.

### I. Background and introduction

3. Transparency in relation to the international financial system has become the focus of growing political attention in recent years as an important means of preventing money-laundering, terrorist financing, tax evasion, bribery, corruption and other crimes. This issue was further magnified as a result of the data leaks that occurred immediately prior to the G20 Finance Ministers’ meeting in April 2016.

4. Central to the discussion, as also highlighted in the data leaks, is being able to identify who really owns and controls entities and other legal arrangements (i.e. their “beneficial owners”). Not only was this a key topic during the meeting of the G20 Finance Ministers in April 2016, in the margins of that meeting France, Germany, Italy, Spain and the UK also committed to greater international exchange of beneficial ownership information, an initiative now joined by many other jurisdictions. The issue was also central to the Anti-Corruption Summit in London and the G7 meeting in Ise-Shima in May 2016. This momentum builds on previous commitments to meet international standards on beneficial ownership, including the G20 High Level Principles on beneficial ownership transparency and the fourth Anti-Money Laundering Directive in the European Union.

5. The widely accepted international standard on beneficial ownership is the one developed by the FATF<sup>12</sup> in 2003 and further strengthened in 2012, the implementation of which is being evaluated by the FATF through its most recent round of Mutual Evaluations.

6. Given the centrality of identifying the true owners of companies and legal arrangements to tackling tax evasion, and therefore the direct relevance of the FATF’s work to the Global Forum, beneficial ownership is also a key component of both the Global Forum’s standards, of exchange of information on request (EOIR) and automatic exchange of information (AEOI) for tax purposes. The Global Forum therefore has a key role to play in improving the implementation of the international

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<sup>1</sup> The international standard setter in relation to tackling money laundering, terrorist financing and other related threats to the integrity of the international financial system.

<sup>2</sup> The FATF standard also includes “basic information” on legal persons. Basic information notably (but not uniquely) encompasses legal ownership information. It also focuses on the minimal information the company and the company registry must collect, as well as on the quality of the company registry and timely access by competent authorities to the information contained in these registries.

standards in transparency and beneficial ownership as they relate to exchange of information for tax purposes.

7. This report responds to the calls by the international community for improvement in implementation of beneficial ownership requirements and contains initial proposals on how the Global Forum can contribute to this agenda through:

1. Providing a particular focus on the effective implementation of the legal and beneficial ownership requirements during the new Global Forum reviews against the EOIR and AEOI Standards.
2. Enhance cooperation between the FATF and the Global Forum to further ensure the coherence and mutual reinforcement of work to improve transparency in relation to beneficial ownership, including through mapping out where the FATF and the Global Forum standards coincide and identifying examples of effective implementation.
3. Working with relevant institutions to compile and widely disseminate examples of effective implementation for ensuring the availability, timely access to and exchange of accurate and reliable legal and beneficial ownership information for tax purposes, and providing technical assistance as necessary.

## **II. The state of play on the implementation of the EOIR Standard and on beneficial ownership**

### **Peer reviews improving the implementation of the EOIR Standard**

8. The Global Forum's core mandate is improving the implementation of international transparency standards through its peer review process. It has a wealth of experience from its first round of reviews in relation to the EOIR Standard, which commenced in 2009. So far a total of 123 jurisdictions have been assessed (with 101 jurisdictions assessed on both the legal framework and practical implementation, and another 22 jurisdictions assessed on their legal framework). This process has provided a step change in international tax transparency and the effective exchange of information to tackle tax evasion, with jurisdictions taking action to successfully address around 360 recommendations. Overall, a good level of compliance with the EOIR Standard has been found and where gaps are identified, jurisdictions have generally moved quickly to address them.

9. While the first round of reviews touched on some issues concerning beneficial ownership (e.g. in relation to the use of nominees, trusts and bearer shares), the main focus was on the availability of information on the legal ownership of entities and legal arrangements, which is inextricably linked to information on beneficial ownership. These reviews have resulted in far reaching changes. A striking specific example is the progress with respect to bearer shares, where more than 25 jurisdictions have abolished, immobilised or otherwise reported significant progress towards the implementation of the Global Forum's recommendations. In total, of the approximately 300 recommendations made on element A.1 (*Availability of ownership and identity information*), 100 have been removed after having been shown to be successfully addressed by the jurisdictions concerned. Action has also been taken to address many more of the recommendations, with the jurisdictions currently awaiting re-assessment. But there is more to do.

## **Mounting evidence of further improvement needed in the implementation of legal and beneficial ownership requirements**

### *Deficiencies found by the Global Forum*

10. Despite the progress made, the Global Forum's peer reviews have identified a number of areas for certain jurisdictions to improve, which currently compromise the availability of legal ownership information. These tend to centre on inadequate oversight of and lack of enforcement mechanisms with respect to shareholder registers, including the lack of sanctions on companies failing to file returns, under-resourced company registers which struggle to carry out even passive archival functions and issues in monitoring the availability of ownership information (and obtaining it) where share register/company information is held in a jurisdiction other than where the entity is incorporated. There are also continuing legacy issues with respect to bearer shares and evidence of the inadequate monitoring and supervision of service providers.

11. These deficiencies have been viewed as serious gaps in those jurisdictions' legal framework or implementation in practice, and therefore make up a significant part of these jurisdictions' overall compliance rating. Currently, three jurisdictions have a Non-Compliant rating for element A.1, while 14 jurisdictions have a rating of Partially Compliant. In addition, there are ten jurisdictions for which the overall review has not yet been finalised and have therefore not been given an overall rating, which have a determination for element A.1 of "not in place".

### *Deficiencies found by the FATF*

12. The FATF is the only international body to have so far carried out comprehensive reviews with respect to the implementation of the beneficial ownership standard. It has identified many issues in the implementation of the requirements, often similar to those identified in the Global Forum reviews, notably regarding the lack of monitoring and enforcement of record keeping requirements.

13. In its new round of Mutual Evaluations, since its Standards were strengthened in 2012 to focus more on effectiveness in implementation, nine FATF members have been assessed, and only two of those nine countries were found to have a substantial level of effectiveness in preventing the misuse of legal persons and arrangements. The evaluations to date identified various serious deficiencies including insufficient accuracy and accessibility of basic information relating to company registration, less rigorous implementation of the requirements by gatekeepers such as lawyers, and trust and company service providers, a lack of sanctions against companies which fail to update information held by national company registries, or to keep information about their shareholders or members up-to-date, and obstacles to information sharing such as data protection and privacy laws which impede competent authorities from getting timely access to adequate, accurate and up-to-date basic and beneficial ownership information.

## **New and updated Global Forum standards: an opportunity to drive further improvements**

14. The Global Forum recently agreed upon new Terms of Reference for the second round of reviews of the EOIR Standard. The new Terms of Reference now require that all jurisdictions have access to information regarding the beneficial ownership of entities and legal arrangements operating in their jurisdictions (as defined by the FATF), and to allow for its international exchange for tax compliance purposes. This new round of reviews, which has just commenced, will therefore include the assessment of the effectiveness of the implementation of the beneficial ownership standard and should drive forward improvements in implementation.

15. Furthermore, the new AEOI Standard, now committed to by 101 jurisdictions, also builds closely on the work of the FATF. Financial institutions must identify the owners of the financial assets and accounts that they are reporting information in relation to (which is then reported to tax administrations to be automatically exchanged). This includes building on the FATF's due diligence requirements, including to identify the beneficial owners of financial accounts and assets held by entities and similar legal arrangements (e.g. trusts) where the account/asset holders are passive entities/arrangements (the structures most easily used to evade tax by obscuring their true ownership). The details of how these aspects of the AEOI Standard will be reviewed are currently under development, and will include a staged approach to assess key risk areas during the implementation phase and a comprehensive peer review process thereafter.

16. With both the EOIR and AEOI Standards now incorporating the FATF's definition of beneficial ownership and the Global Forum about to commence reviews into the effective implementation of each, there is an opportunity to focus these reviews to ensure that they assist in promoting the effective implementation of the beneficial ownership standards and exchange of beneficial ownership information for tax purposes.

### **III. Initial proposals to improve transparency with a focus on beneficial ownership**

17. There is a widespread recognition that the FATF definition of beneficial ownership, as recently incorporated into the Global Forum's EOIR and AEOI Standards, is a strong one. The deficiencies that have been found relate to its effective implementation.

18. The initial proposals in this report are built around three pillars, as set out below: peer reviews against the international standards; closer institutional cooperation, particularly between the Global Forum and the FATF; and facilitating effective implementation through identifying and disseminating examples of effective implementation and by providing technical assistance.



#### **Pillar 1: Improving effective implementation through peer reviews**

19. Peer reviews against both the EOIR and AEOI standards will ensure a level playing field and drive forward their effective implementation, including in relation to legal and beneficial ownership information and its international exchange for tax purposes. Follow-up reports will ensure that jurisdictions improve their implementation of the standards on a continuous basis.

20. With respect to the new round of reviews against the EOIR Standard, the Assessment Criteria provide that recommendations on material deficiencies from the first round that have not yet been addressed should in principle be weighted more heavily in the second round. Furthermore, particular importance will be placed on the beneficial ownership requirements as this will be the key new area for the new reviews. The Secretariat is already preparing to ensure that the new reviews are consistent and robust, including preparing documentation on the requirements of the Global Forum and FATF standards and the factors to be relied upon when evaluating effective implementation. Given the significant importance placed on the effective access and exchange of legal and beneficial ownership information, the Global Forum will accordingly ensure an appropriate

level of emphasis is placed on these issues in the new reviews, reflecting the fact that major deficiencies in this area are a serious obstacle to the effectiveness of tax transparency standards.

21. During the first round of reviews, adequate enforcement emerged as a key area with respect to the availability of information on legal ownership. In many cases, the oversight and enforcement systems were put in place by jurisdictions late during the review period, or were not in place at all. Furthermore, with many jurisdictions having limited experience in responding to requests for information, it was difficult to assess whether or not the information was available in practice. Assessing whether these areas are implemented effectively will therefore be a key focus in the second round of reviews. These issues are also critical in relation to the availability of beneficial ownership information, which will also be carefully assessed during the second round of reviews. During the second round both the legal framework and effectiveness in implementation will be assessed at the same time, with feedback from peer input also incorporated. It will therefore be carefully assessed whether the legal and beneficial ownership information is available in practice and whether the oversight and enforcement mechanisms are effective.

22. The new AEOI Standard requires financial institutions to identify the owners of financial accounts and financial assets, including more detailed requirements to identify the beneficial owners where the accounts or assets are held by specified high-risk entities or legal arrangements (i.e. “passive entities” essentially used for investment purposes). These processes must be consistent with those applied for the purpose of compliance with the FATF standards, and for new financial accounts opened by specified entities and legal arrangements, they must be consistent with the latest FATF recommendations whether implemented locally or not, and financial institutions must verify, maintain and report the information. The AEOI standard also includes requirements on implementing jurisdictions to ensure the effective implementation of the requirements of the AEOI Standard by financial institutions, including a robust legal and operational compliance framework.

23. During its implementation phase, the Global Forum is taking a staged approach to reviewing the implementation of the AEOI Standard, focusing on high risk areas to help ensure its effective implementation in advance of the comprehensive reviews. This will include assessing whether each jurisdiction’s legal framework implementing the AEOI Standard reflects all the key elements of the Standard, including those that relate to beneficial ownership. The development of the methodology and Terms of Reference for the comprehensive reviews of the effective implementation of the AEOI standard provides a further opportunity to help ensure the quality and availability of beneficial ownership information in relation to financial accounts and financial assets.

**Proposal 1:** Provide a particular focus on the effective implementation of the legal and beneficial ownership requirements during the new Global Forum reviews against the EOIR and AEOI Standards.

## **Pillar 2: Closer institutional cooperation between the FATF and the Global Forum**

24. The effective implementation of international standards on transparency can be enhanced by the relevant international bodies working more closely together, maximising the opportunities to ensure our work is mutually supportive. This is particularly the case with respect to legal and beneficial ownership information which is a key part of both the Global Forum’s and the FATF’s standards. While there was close engagement during the incorporation of beneficial ownership into the Global Forum standards, to ensure consistency in the application and assessment against the standards, the Global Forum and the FATF will explore ways to sustain and further enhance that cooperation in the longer term, including at the member level, maximising the relevance of our work to each other and promoting clear and consistent recommendations to improve implementation by our members.

25. For example, timely access to law enforcement of accurate and up to date legal and beneficial ownership information is a key component of both the FATF Recommendations and the EOIR Standard. Furthermore, the proper implementation of customer due diligence rules by financial institutions and their effective enforcement by jurisdictions is central to the FATF Recommendations and the AEOI Standard. Enhancing further the engagement between the Global Forum and the FATF would therefore not only help maximise coherence but also maximise the effectiveness of the reviews themselves, for example when developing the approach to review compliance in relation to the AEOI Standard. The objective would be robust yet efficient reviews, minimising the risks and costs in relation to any overlaps in the work of the FATF and the Global Forum and maximising the possibilities to ensure our work is mutually supportive in incentivising effective implementation. The first step is to map out where the FATF and the Global Forum standards coincide and the associated implications and opportunities.

26. The enhanced ongoing cooperation between the FATF and the Global Forum, including at the member level, would also provide an opportunity for each institution and its members to learn from each other in relation to how best to meet transparency standards, feeding into Pillar 3 of these proposals concerning compiling and disseminating examples of effective implementation.

**Proposal 2:** Enhance cooperation between the FATF and the Global Forum to further ensure the coherence and mutual reinforcement of work to improve transparency in relation to beneficial ownership, including through mapping out where the FATF and the Global Forum standards coincide and identifying examples of effective implementation.

**Pillar 3: Facilitating effective implementation through compiling and disseminating examples of effective implementation and providing assistance**

27. Improvements in implementation can also be facilitated through the identification and dissemination of examples of effective implementation and through the provision of assistance. This can ensure that any problems are identified and addressed prior to reviews being carried out, helping ensure the effectiveness of the implementation of the standards up-front in the process.

28. Both the Global Forum and the FATF have identified common areas where the implementation of legal and beneficial ownership standards is lacking. Consequently, areas where it could be useful to compile examples of effective implementation could include: ways to provide for the timely access to and availability of accurate legal and beneficial ownership information; the monitoring and enforcement of the requirements to ensure that legal and beneficial ownership information is accurate, reliable and up-to-date; and the domestic and international sharing of legal and beneficial ownership information (recognising that practices may differ in reflection of the differing objectives of the Global Forum and the FATF).

29. A key source of examples of effective implementation in relation to the beneficial ownership requirements will be the second round of EOIR reviews themselves, the outcomes of which will establish both principles and examples of effective implementation (as was the case, for example, with respect to bearer shares during the first round of reviews). The Secretariat will compile these principles and examples and make them available to all Global Forum members. They would not be intended to be prescriptive but to provide guidance and examples of effective practice to assist members in meeting the requirements.

30. Sources of examples of effective implementation can also be found through the work of other bodies, such as the FATF and the OECD. The FATF has also repeatedly found practical challenges, with one example being on ensuring the accuracy of ownership information held in a company registry. Another example relates to how best to enable ownership information to be

exchanged between fiscal and law enforcement authorities, an area explored by the OECD through its support of the Oslo Dialogue and the “whole of government” approach. Furthermore, an example particularly relevant to the AEOI Standard is compliance and enforcement, as the Standard contains compliance and enforcement requirements for jurisdictions to ensure the effective implementation of the customer due diligence requirements by financial institutions. Close ongoing cooperation between the relevant international bodies would deliver benefits to all members when considering how best to implement the legal and beneficial ownership requirements.

31. There is also a need for more conventional technical assistance for developing country members, which has proved critical to their success during the first round of reviews. Meeting the requirements of the second round of reviews will be a big challenge for many developing countries, with a number of them already having been rated poorly in their peer reviews in respect of the availability of legal ownership information.

**Proposal 3:** Engage with relevant bodies (e.g. the FATF and the OECD) to compile and disseminate examples of effective implementation for ensuring the availability, timely access to and exchange of accurate and reliable legal and beneficial ownership information for tax purposes, and providing assistance as necessary.

## Conclusion and next steps

32. It is clear that there is further work needed to improve the implementation of transparency standards and in relation to beneficial ownership information in particular. The Global Forum is committed to play its role in meeting this objective, in particular through the upcoming reviews of the implementation of the Global Forum standards that now, for the first time, include beneficial ownership information requirements. The Global Forum is also committed to working more closely with other international bodies on an ongoing basis, including the FATF in particular, to maximise the coherence and effectiveness in our reviews in order to best support the effective implementation of the standards. The Global Forum will also compile and share examples of effective implementation, as well as provide assistance where needed. These actions will promote the improvement of the international implementation of transparency standards, including in relation to beneficial ownership.



# PART II

OECD SECRETARY-GENERAL REPORT  
TO G20 FINANCE MINISTERS AND CENTRAL BANK GOVERNORS

Update on tax transparency:  
beneficial ownership information



## Tax transparency - Beneficial ownership of legal entities and arrangements

For more than three decades, the OECD has worked to improve global transparency to combat tax evasion as well as other financial crimes. This has ranged from its development of model provisions for the exchange of tax information under bilateral and multilateral agreements, to the establishment of the international tax transparency standards, first on exchange of information on request (EOIR) and most recently on the automatic exchange of financial account information (AEOI). The OECD has also developed the practical tools necessary to give effect to these standards and models, such as the Common Transmission System for tax information exchange which delivers a cost-effective solution to governments, and also regularly convenes the top tax investigators from around the globe to ensure a rapid and effective response to new tax challenges as they arise.

The OECD's experience on financial crime matters also extends beyond the tax arena, a cross-cutting expertise that becomes particularly important as the linkages between different types of financial crimes are increasingly apparent. On anti-bribery, corporate governance and due diligence, the OECD has not only established world-leading standards, but also provided the implementation support which actually allows countries to bring these standards to life.

Today there is tremendous interest and support for ensuring the availability of accurate and up to date beneficial ownership information of legal entities and arrangements, and for providing anti-money laundering, anti-corruption as well as tax authorities with timely access to such information both domestically and internationally. The importance of having access to information on beneficial ownership of legal entities and arrangements is recognised across agencies and across countries of all sizes, as without it, the ability of governments to fight financial crimes, corruption, money laundering, terrorist financing and tax evasion is greatly undermined.

A coordinated and comprehensive approach to beneficial ownership information is essential, and given the breadth of government agencies and inter-governmental organisations with an interest in this information and an expertise in their particular domains, it is important to ensure both that there is no duplication, but also no gaps between the systems. In that context, specific regard should be had to the ongoing work of the Financial Action Task Force (FATF) as well as the OECD-hosted Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum), including their most recent proposals for consideration at your October 2016 meeting (the Global Forum proposals can be found in Part I of this report).

Drawing on our expertise and experience, there are certain further areas of work which the OECD could undertake in the tax area relating to beneficial ownership information for legal entities and arrangements. Specifically, the OECD's contribution, which is designed to complement the FATF and Global Forum's proposals, would focus on the following components with progress reported to the G20 in 2017:

1. **Gap analysis:** Mapping tax compliance needs against AML Standards. The OECD would conduct an analysis to determine whether there are gaps between tax compliance needs (both civil and criminal) for beneficial ownership information, and the relevant FATF

standards for AML, and, where gaps are identified, suggest possible solutions taking cost benefit considerations into account.

**2. Designing structured and electronically searchable data sets of ownership information.**

The OECD would review the existing data structures and formats used for the Common Reporting Standard (for the AEOI standard) and the US Foreign Account Tax Compliance Act (FATCA). In doing so it would explore the benefits, costs and issues involved in the wider adoption of the existing FATCA / CRS common structure and related formats for possible use by other repositories of ownership information such as registries, designated non-financial businesses and professions, and consider how a common structure could be used in different regulatory environments permitted within the FATF Recommendations.

**3. Domestic access to beneficial ownership information.** The OECD would map the current state of play with respect to the legal ability to countries and jurisdictions to share or access beneficial ownership information amongst different agencies domestically, including information received from a treaty party, having regard to the different models used for requiring the availability of, and for obtaining access to, beneficial ownership information such as registers. With the results of that mapping exercise, the OECD would explore the possibility of improving the sharing of beneficial ownership information between Competent Authorities (as defined by the FATF Recommendations) as well as other authorities including tax authorities in their “civil” tax capacity.

**4. Improving international access to beneficial ownership information.** The OECD would map the current state of play concerning the legal rules with respect to the ability of countries and jurisdictions to obtain beneficial ownership information from each other both in the FATF and tax domains, and evaluating the practical issues associated with the existing framework with the goal of improving international access.



