

Committee: Economic and Financial Committee (GA2)

Issue: The issue of the use of tax havens by multinational corporations

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Position: Co-Chair

PERSONAL INTRODUCTION

Dear Delegates,

My name is Maria Portokaloglou and I am deeply honoured to have been given the chance to serve as a Co-Chair in the Economic and Financial Committee of this year's Deutsche Schule Thessaloniki Model United Nations conference.

Firstly, I would like to congratulate you all for participating in this conference. I can say with full certainty that this experience will be highly beneficial to you in every way possible, from practising your English and debating skills and expanding your horizons regarding politics and global issues, to developing strong friendships and creating wonderful memories.

The two topics that will be discussed in this year's Economic and Financial Committee are crucial. However, this Study Guide focuses on the first topic, namely the issue of the use of tax havens by multinational corporations. This certain issue has been troubling the global community for ages but no solution has been proven to be adequately effective so far, despite the numerous discussions held and measures taken. With such a complex matter at hand, I am hoping to help you form productive resolutions and come up with innovative and compelling ways to solve it. As far as this Study Guide is concerned, it is to introduce and help you better understand the topic and to provide you with the main information about it. However, additional research is definitely needed, in order for you to be familiar with the issue to a deeper extend and to be fully prepared for the conference. Therefore, I strongly urge you to read this Study Guide carefully and to do your own extensive research concerning the topic in general as well as your country's policy upon the matter.

Should any questions arise, please feel free to contact me via e-mail at mairokoion@gmail.com. I'm looking forward to meeting you all and I am sure that we will have an amazing time at the upcoming conference.

Kindest regards,

Maria Portokaloglou

TOPIC INTRODUCTION

A tax haven is an offshore country or place with a low effective rate of taxation for foreign investors and businesses that usually offers financial secrecy as well.

Firstly, since tax havens offer very low to zero tax rates, companies can easily minimize their tax liability. Additionally, financial secrecy is guaranteed in tax havens through certain laws and administrative practices which prevent scrutiny by tax authorities and secure any internal financial and administrative information. That is of great importance for companies that are looking for the most secretive avenue to manage their financial assets or for those that want to keep the company shareholders and directors anonymous. Furthermore, the whole process of establishing an offshore company has been simplified to that extent that the cost and time needed to set up one is trivial.

A vital factor that has seriously contributed to the rise of the use of tax havens by multinational corporations is globalization. Globalization has resulted in the international flow of information, services and capital and in improvements regarding the international trade methods. This way, companies have been able to conduct business and outsource wealth to tax havens easily. Additionally, the vast progress in information technology during the last twenty years has also led to an increase in the registration of offshore entities.

Despite how beneficial tax havens can be proven to be for corporations and for tax havens themselves, at the same time they can cause severe damage to other countries. Countries that are not tax havens suffer from a serious loss of tax revenue and are therefore usually deprived of the necessary resources they need in order to build infrastructure, to provide public services and to tackle income inequality. Specifically, it has been estimated by the OECD that around 240 billion dollars are annually lost due to the use of tax havens and tax evasion. Additionally, this system supports injustice and inequality, both between countries and between people of the same country, since some wealthy individuals manage to avoid paying taxes, while the unprivileged end up paying the price. Important figures like politicians have been found to be involved in scandals regarding tax havens. It is fair to argue that this system ignites issues of corruption,



Figure 1: Around 240 billion of dollars are lost due to the use of tax havens and tax evasion annually

accountability and even governance, jeopardising the people's trust on their country's political institutions.

The issue of the use of tax havens remains unresolved and it is therefore of paramount importance for countries to cooperate in order to find tangible and long-term term solutions to tackle it.

DEFINITION OF KEY TERMS

Tax haven

With the term tax haven, one refers to a country which imposes a low or no tax and is used by corporations to avoid taxation which otherwise would be payable in a high-tax country. Tax havens also provide a lack of effective exchange of information and lack of transparency in the operation of the legislative.¹

Offshore company

An offshore company is a company that is based in a different country, in which it does most of its business mainly for tax reasons.²

Tax evasion

The term tax evasion refers to illegal arrangements where liability to tax is hidden or ignored and less tax is paid than obligated by hiding income and information from the tax authorities.³

Profit shifting

Profit shifting is an allocation of income and expenses between related corporations or branches of the same legal entity in order to reduce the overall tax liability of the group or corporation.⁴

Common Reporting Standard (CRS)

The Common Reporting Standard (CRS) is a standard that calls on jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis and sets out the financial account information to be exchanged, the financial institutions to report the different

¹"Glossary Of Tax Terms - OECD". *Oecd.Org*, 2020, <https://www.oecd.org/ctp/glossaryoftaxterms.htm>.

²OFFSHORE COMPANY | Meaning In The Cambridge English Dictionary". *Dictionary.Cambridge.Org*, 2020, <https://dictionary.cambridge.org/dictionary/english/offshore-company>.

³ see footnote 1

⁴ see footnote 1

types of accounts and taxpayers covered, as well as common due diligence procedures to be followed by financial institutions.⁵

Organization for Economic Co-operation and Development (OECD)

The Organization for Economic Co-operation and Development (OECD) is an international organization whose members are countries with advanced economies and whose aim is to encourage economic growth around the world.⁶

Double taxation treaty

An agreement between two or more countries that reduces the amount of tax that an international worker or company must pay, so they do not have to pay tax twice on the same income.⁷

BACKGROUND INFORMATION

Historical Background

The modern concept of tax havens is said to have appeared for the first time after World War I when many countries decided to increase their taxation rates in order to cover reconstruction costs. Therefore, individuals started looking for ways to avoid paying their taxes and the idea of using offshore countries to escape taxation started emerging. This way, wealthy individuals, most of them coming from France, Germany and the United Kingdom, started relocating their assets in countries like Switzerland, a country that had already been offering financial secrecy. Apart from Switzerland, other places started being used as tax havens during that period such as Luxembourg, Bermuda, Bahamas, the Cayman Islands, Jersey and Panama.



Figure 2: Individuals and corporations are relocating their assets in offshore countries

While the use of tax havens by individuals emerged especially after World War I, corporate entities started using tax havens after World War II and specifically around

⁵ "Common Reporting Standard (CRS) - Organisation For Economic Co-Operation And Development". *Oecd.Org*, 2020, <https://www.oecd.org/tax/automatic-exchange/common-reporting-standard/>.

⁶ "OECD | Meaning In The Cambridge English Dictionary". *Dictionary.Cambridge.Org*, 2020, <https://dictionary.cambridge.org/dictionary/english/oecd>.

⁷ "DOUBLE TAXATION TREATY | Meaning In The Cambridge English Dictionary". *Dictionary.Cambridge.Org*, 2020, <https://dictionary.cambridge.org/dictionary/english/double-taxation-treaty>.

the 1950s. Additionally, in the early 1960s, British banks alongside with some American banks started expanding their financial activities in Guernsey, Jersey and the Island of Man while other financial centres started rising as well, like Hong Kong and Singapore for instance.

Since the late 1990s and the beginning of the 21st century, concerns started arising in regard to issues of transparency, security, financial instability and inequality due to the use of tax havens. This way, organizations like the OECD started to take action against tax havens gradually aiming at combating global tax evasion. Specifically, in 1996 OECD countries introduced their harmful tax practices initiative and in the year 1998, the OECD published a report with the title "Harmful Tax Competition: An Emerging Global Issue" detailing the criteria for a place to be identified as a tax haven. Moreover, two years later, the OECD published the 2000 OECD Report on "Towards Global Tax Co-operation" including a list of 35 jurisdictions, meeting the criteria explained in the 1998 report.

The milestone of the financial crisis of 2008

In the years 2007-2008, the world suffered a severe economic crisis, also known as the Global Financial Crisis (GFC) that began in the US due to the rising property values and a depreciation in the sub-prime mortgages and escalated into an international banking crisis. After the crisis, the need to stimulate the global economy and to facilitate the financial system were eminent and lead to the world seriously questioning the use of tax havens. Thus, ever since the financial crisis of 2008, the pressure on individuals, banks and corporations in secrecy jurisdictions to conduct business and exchange information in a more transparent way has been seriously increased and international organizations, as well as countries individually, started taking serious action towards tackling the issue of the use of tax havens. Specifically, at the 2009 G20 summit the G20 declared that the era of banking secrecy was over and called on Member States to commit to taking action against non-compliant jurisdictions and tax havens. This way, more purposeful steps were taken by the global community. Namely, the OECD restructured the Global Forum on Transparency and Exchange of Information for Tax Purposes aiming at implementing international standards on tax transparency that mainly focuses on Exchange of Information on Request (EOIR) and on Automatic Exchange of Information (AEOI). The OECD has also introduced the use of the Common Reporting Standard (CRS), a standard promoting the automatic exchange of information between corporations and tax authorities and has also been launching and annually revising country lists, also known as blacklists, regarding a jurisdiction's secrecy and adherence to global transparency standards.

Initiatives and projects

So far great progress has been made in regard to the issue of the use of corporate tax havens and the OECD, the EU, the G20 and several countries individually have introduced various initiatives towards tackling the matter. Some of the most significant ones are the OECD/G20 Inclusive Framework on BEPS, the Common Reporting Standard (CRS), the Tax Information Exchange Agreements (TIEA), the EU Directive on Administrative Cooperation (DAC) and the EU and OECD blacklists.

OECD/G20 Inclusive Framework on BEPS

With the term Base Erosion and Profit Shifting (BEPS), one refers to certain tax strategies used by multinational corporations to shift wealth from high- to low- tax jurisdictions in order to avoid paying higher taxes. Therefore, a project called the "OECD/G20 Inclusive Framework on BEPS" was introduced by the OECD and the G20, calling on countries and jurisdictions to cooperate and implement the BEPS package, a package providing fifteen actions that can equip governments with certain standards and instruments to tackle tax avoidance, facilitate the financial system and ensure tax transparency. Its first action focuses on addressing the tax challenges that arise from digitalisation since new technological outbreaks have helped multinational corporations avoid paying taxes by shifting their profits to offshore countries more easily. Action 2 focuses on neutralizing the effects of hybrid mismatch arrangements, which are arrangements that can exploit the differences regarding the tax treatment of entities and transfers between two or more jurisdictions and can achieve non-taxation, thus affecting tax revenues and igniting issues of transparency and fairness. Action 3 calls on the recommendation and design of Control Foreign Company (CFC) rules in order to limit deferral of tax caused by the use of tax havens and Action 4 promotes the use of interest expense so that excessive interest deductions can be achieved. The fifth Action is a BEPS minimum standard focusing on harmful tax practices and based on the 1998 OECD's report on harmful tax practices. Another BEPS minimum standard is Action 6 regarding the prevention of tax treaty abuse, that calls on the members of the BEPS Inclusive Framework to include provisions regarding treaty shopping in their tax treaties. Action 7 proposes certain alterations to the definition of a permanent establishment in order to address situations and strategies used to avoid taxation and the Actions 8 to 10 provide transfer pricing guidance for the application of the arm's length principle, which is a contract law signed by the parties of a transaction. Action 11 works on analysing and studying the effects of tax avoidance and the impact of BEPS measures, while Action 12 sets out rules regarding aggressive tax planning arrangements. The 13th and 14th Actions are both minimum standards, with the first one focusing on the use of Country-by-Country report, which has to be annually turned in by corporations, detailing information regarding income,

economic activity and taxes in the jurisdiction in which the company operates. The other minimum standard focuses on the better cooperation and resolving of disputes between jurisdictions and lastly, the 15th Action calls on the implementation of a multilateral instrument to counter treaty abuse and address vulnerabilities in tax treaties.

Common Reporting Standard (CRS)

In 2014 the OECD invented the Common Reporting Standard, which is an information standard that sets out a framework for Automatic Exchange of Information (AEOI). Based on the CRS, jurisdictions are to collect and automatically exchange information from their financial institutions with other jurisdictions annually. Additionally, in 2014 member states signed the CRS Multilateral Competent Authority Agreement (CRS MCAA), working on automatic exchange of information under the CRS and based on the Convention on Mutual Administrative Assistance in Tax Matters, a convention providing certain forms and rules for the better cooperation between countries in regards to tax matters. Furthermore, the OECD has also published a CRS Implementation Handbook, which is a handbook providing guidance and significant information for the implementation of the CRS to both financial institutions and governments officials.



Figure 3: Over 100 countries have implemented the Common Reporting Standard

Tax Information Exchange Agreements (TIEA)

Tax Information Exchange Agreements are agreements signed by two countries that agree on exchanging information upon request with each other and on generally cooperating in regards to tax matters. Most TIEAs are based on an OECD model TIEA, the Model Agreement on Exchange of Information in Tax Matters introduced by the OECD Global Forum Working Group on Effective Exchange of Information. Additionally, TIEAs are similar to Double Taxation Agreements, which are agreements used to prevent profits from being taxed

more than once, and are mostly used in order to either complement them or replace them in countries where Double Taxation Agreements are not used. Furthermore, TIEAs are more detailed and focus more on information exchange in comparison to Double Taxation Agreements.

EU Directive on Administrative Cooperation (DAC)

The EU Directive on Administrative Cooperation is a Directive introduced by the EU that focuses on tax information exchange between the EU Member States and aims at combatting tax evasion. The DAC is mainly based on the automatic and spontaneous exchange of information as well as on the exchange of information upon request and calls on member states to obtain and share data regarding employment income, fees, pensions and ownership. The first DAC (DAC1, Directive 2011/16/EU) has been amended five times so far, with the last alteration being DAC6.

Blacklist

Through the past years, both the EU and the OECD have published country lists including jurisdictions that did not comply with certain standards and rules and were therefore considered non-compliant. Specifically, the EU introduced the EU list of non-cooperative jurisdictions in the year 2017, aiming at tackling issues of tax fraud and tax evasion as well as at encouraging Member States to alter their tax practices and legislation. Furthermore, the OECD has been constantly publishing and revising such country lists, also known as blacklists like the "List of non-cooperative countries or territories" introduced by the Financial Action Task Force of the OECD in the year 2000 or the 2002 OECD list of Uncooperative Tax Havens.

Leaks

The use of tax havens supports inequality between countries and individuals as well as ignites issues of accountability, corruption and governance. This situation is thoroughly portrayed through some crucial scandals and data leaks in regards to the use of tax havens that have taken place in the past and have scarred the evolution of the global economy. The most important scandals are the Luxembourg leaks, the Swiss leaks, the Panama Papers and the Paradise Papers.

The Luxembourg leaks scandal is a scandal that occurred in the year 2014 and exposed confidential information on more than 500 tax rulings, dating between the years 2002 and 2010, between Luxembourg and more than 300 multinational corporations. Specifically, the International Consortium of Investigative Journalists

(ICIJ) conducted an investigation that leads to revealing tax rulings set by PricewaterhouseCoopers and thus shedding light to Luxembourg's tax rulings' insights and tax avoidance schemes.

In February 2015 the Swiss leaks took place, exposing a huge tax evasion scheme by the British national Bank HSBC and its Swiss subsidiary. Specifically, a former HSBC employee, Hervé Falciani, leaked and handed to French authority's data on accounts between the HSBC in Geneva and more than 100.000 clients and 20.000 offshore companies.

One of the most significant data leaks in history is the Panama Papers scandal that occurred in 2015, leaking 11, 5 million of documents belonging to a law firm in Panama, Mossack Fonseca. These documents were leaked by an anonymous whistleblower and revealed confidential information affecting more than 210,000 offshore companies. Moreover, the investigation proved that around 140 politicians, as well as other wealthy individuals, celebrities and drug dealers, were involved and that many Mossack Fonseca corporations were used for illegal actions such as fraud and tax evasion.

The Paradise Papers leak is another vital scandal in regards to the use of tax havens that took place in 2017. The term Paradise Papers refers to 13,4 million of documents that detailed confidential information related to business conducted in offshore countries and belonged to the legal firm Appleby and the service providers Asiacity Trust and Estera.

Results and the situation today

Even though the global community has not managed to tackle the issue of the use of corporate tax havens completely yet, major steps have been made through the past few years. Namely, more than 100 countries have implemented the CRS and more than 135 countries and jurisdictions have been working together on the implementation of the BEPS Package introduced by the OECD/G20 Inclusive Framework on BEPS. Additionally, over 5.000 agreements have been placed in regards to tax information exchange and over 90 jurisdictions have been automatically exchanging information on more than 47 million of offshore accounts with tax administrations.

MAJOR COUNTRIES AND ORGANISATIONS INVOLVED

United Kingdom

The United Kingdom is a country seriously involved with the issue at hand and has been described as one of the greatest tax avoidance enablers worldwide. Some of

the jurisdictions that have contributed the most to corporate tax avoidance on a global scale are the British Virgin Islands, Bermuda, the Cayman Islands, Guernsey, Jersey and the Isle of Man, all of them being British dependencies and territories.

United States of America

The US is considered as a profitable destination for establishing offshore companies and has been ranked second in regard to financial secrecy in 2020 by the Tax Justice Network. In 2010, the US introduced the Foreign Account Tax Compliance Act (FATCA), a US federal law and refused the CRS by the OECD. FATCA requires financial institutions to obtain and exchange information regarding accounts by US citizens with the Internal Revenue Service (IRS), which is the US government's revenue service, without the US having to report information regarding financial activity taking place in the US with other countries.

European Union (EU)

One of the most vital contributions of the European Union towards solving the issue of the use of corporate tax havens, is the adoption of a list called "EU list of non-cooperative tax jurisdictions", also known as "EU blacklist" which took place on 5 December 2017. Its main objectives are fair tax competition, transparency and the improvement of global tax governance. The jurisdictions that do not adhere to transparency, fair tax competition and the OECD's Base Erosion and Profit Shifting minimum standards (BEPS), are considered tax havens and are blacklisted. The whole listing procedure is monitored by the European Commission and the list is revised on a regular basis. The EU has also introduced the Directive on Administrative Co-operation (DAC), which is a directive quite similar to the CRS that has been amended and revised five times so far (DAC1, DAC2...) and aims at the creation of a framework for cooperation between Tax Administrations and the EU Member States under which automatic (AEOI), spontaneous (SEOI) and exchange of information on request (EOIR) will be achieved.

Group of Twenty (G20)

The Group of Twenty (G20), which is a global forum consisting of 19 heads of government and heads of state and the European Union, has played a major role towards tackling the issue of the use of corporate tax havens, especially since its main goal is the facilitation of international financial stability. Specifically, the G20 leaders stated at the 2009 G20 London Summit that "the era of banking secrecy is over" and agreed to work on a list of countries that were deemed non-cooperative in regards to tax information exchange standards. Additionally, the G20 provisioned the creation of a toolbox with measures and sanctions, the reviewing of both tax treaty policies and

investment policies and the promotion of tax transparency and information exchange principles. Furthermore, the issue of the use of tax havens has been raised several times in other G20 summits, like the 2009 G20 Pittsburgh Summit and the 2010 G20 Seoul Summit, where the implementation of automatic tax information exchange and disclosure of corporate ownership of offshore accounts were discussed.



Figure 4: 2009 G20 London Summit

Organization for Economic Co-operation and Development (OECD)

The OECD is an intergovernmental economic organization whose main goal is the facilitation of world trade and the global economy. Therefore, the OECD has played a significant role in regard to the use of corporate tax havens over the past years. Specifically, the OECD has introduced the Global Forum on Transparency and Exchange of Information for Tax Purposes, a forum dealing with issues of tax evasion, tax information exchange agreements, double taxation treaties and tax havens. Furthermore, the OECD also developed the CRS, a standard that calls on jurisdictions to obtain and exchange financial information with others on an annual basis. The OECD has also been listing jurisdictions in lists, also known as blacklists, greylists and whitelists, depending on their level of adherence to certain standards for the past few years.

BLOCS EXPECTED

The bloc supporting the freedom of capital movement and financial privacy

One of the two possible blocs regarding the issue of the use of tax havens by multinational corporations is the bloc supporting the freedom of capital movement and financial privacy. In other words, this bloc will be represented by countries that

even though claim to support tax information exchange, deem it crucial to focus on issues of financial privacy and on the promotion of freedom of capital movement. Some of the countries belonging to this bloc are the United Kingdom, Luxembourg, the Republic of Austria, Ireland and Switzerland.

The bloc supporting the ceasing of the use of tax havens by multinational corporations

The other bloc that is going to be formed is the bloc supporting the ceasing of the use of tax havens by multinational corporations. This bloc is going to be supported by delegations that are in favour of the implementation of measures and regulations regarding tax information exchange and by countries whose economies are severely damaged due to the use of corporate tax havens.

TIMELINE OF EVENTS

Date	Description of event
2000	Formation of the Global Forum on Transparency and Exchange of Information for Tax Purposes, a Forum working under the auspices of the OECD and the G20 aiming at the implementation of tax transparency and information exchange by all Member States. The Forum was restructured in 2009 after the financial crisis of 2007-2008.
2008	Liechtenstein tax affair.
2009	Introduction of the Financial Secrecy Index (FSI), an index that ranks jurisdictions based on their offshore financial activities and financial secrecy, by the Tax Justice Network.
April 2 nd , 2009	The 2009 G20 London Summit took place and G20 Leaders agreed to take action against non-cooperative jurisdictions regarding tax avoidance information exchange.

April 2013	British Virgin Islands offshore leaks.
January 2014	The Foreign Account Tax Compliance Act (FATCA) requires Foreign Financial Institutions (FFIs) to report information regarding clients to the Internal Revenue Service (IRS).
2014	Development of the Common Reporting Standard (CRS) by the OECD.
November 2014	Luxembourg leaks.
February 2015	Swiss leaks.
2015	Panama Papers leak.
2017	Paradise Papers leak.
December 2017	Adoption of a blacklist and a greylist by the EU Commission to ensure cooperation and tax transparency.
May 28 th , 2019	Launch of the Corporate Tax Haven Index (CTHI), an index that ranks the most important corporate tax havens worldwide and complements the FCI, by the Tax Justice Network.

RELEVANT RESOLUTIONS, TREATIES AND EVENTS

United Nations Economic and Social Council Resolution E/RES/2017/3

On the 20th of April 2017, the United Nations Economic and Social Council adopted a Resolution on "United Nations code of conduct on cooperation in combating international tax evasion" that called on the endorsement of the work done regarding automatic exchange of financial account information, including the CRS and on Member States that are following the code of conduct to adhere to high levels of transparency and information exchange in tax matters.

2009 G20 London Summit

On 2 April 2009, the G20 heads of government and heads of state met at the ExCeL Exhibition Centre in London for the 2009 G20 London Summit to discuss the

world's economy and financial markets, after the financial crisis of 2008. The main goals of this meeting were to strengthen the global economy, to restore jobs and confidence, to promote global trade and investment as well as to achieve a sustainable and smooth recovery for the whole world. Furthermore, an Action Plan called the "G20 Action Plan for Recovery and Reform" was proposed, calling on taking action against non-compliant jurisdictions and tax havens and on the deployment of sanctions in order to strengthen the financial system worldwide.

United Nations Model Double Taxation Convention between developed and developing countries

The United Nations Model Double Taxation Convention between developed and developing countries is a non-binding instrument developed by the UN Committee of Experts on International Cooperation in Tax Matters and was formed in order to provide guidance to countries and especially developing countries in designing double tax treaties with others and to facilitate negotiation and practical application of bilateral tax treaties.

PREVIOUS ATTEMPTS TO SOLVE THE ISSUE

Through the past years, various attempts and significant steps have been made towards solving the issue of the use of corporate tax havens, both by international organizations and by countries individually. Firstly, one of the most important initiatives that have been introduced by the OECD is the CRS, a standard regarding automatic tax information exchange between countries and tax authorities aiming at combatting tax evasion. Another vital innovation is the implementation of FATCA, a US federal law, similar to the CRS, requiring foreign financial institutions to file reports in regards to tax information of US citizens to the IRS and thus promoting tax information exchange and transparency. Furthermore, as far as tax information exchange is concerned, the OECD has also introduced the use of TIEAs, which are agreements between two countries, agreeing to cooperate in regards to tax matters by exchanging information upon request. The EU has also proposed the Directive on Administrative Cooperation, which is a directive that has been amended several times so far and focuses on automatic and spontaneous information exchange as well as on information exchange upon request between EU Member States and tax authorities. In addition, both the EU and the OECD have been listing countries depending on their financial secrecy or adherence to standards regarding the exchange of tax information. This way, the EU list of non-cooperative jurisdictions and several OECD country lists have been introduced through the years, also known as blacklists whose main goals are the facilitation of the global financial system and that all Member

States finally abide by certain transparency and financial information exchange standards and regulations.

POSSIBLE SOLUTIONS

The issue of the use of tax havens by multinational corporations has been troubling the global community for ages and has still not been tackled completely, despite the significant progress that has been made. In order for the matter to be finally resolved, further and deeper cooperation between all countries and intergovernmental organizations is needed. Furthermore, a possible solution to the problem would be the enhancement of programmes similar to the Common Reporting Standard, promoting automatic information exchange, in order to ensure transparency and to avoid issues of tax evasion. These programmes should also focus seriously on corporations, instead of only focusing on individuals and should be expanded on other types of assets such as gold, real estate and financial securities. Additionally, another way of promoting tax information exchange is the establishment and enhancement of tax information exchange agreements between all countries based on the TIEA, so that all countries can operate under the same standards and information exchange can be achieved more easily and on the same levels on a global scale.

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