

**Aleksandra Maksimovska Veljanovski, Ph.D**  
**Aleksandar Josimovski, LL.M**

## **EXCHANGE OF INFORMATION IN TAX MATTERS AMONG THE STATES**

### **Abstract**

The exchange of information in tax matters has an increasing significance in the contemporary global, economic structure. The most important instrument for the establishing of the legal framework for exchange of information is the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.

The object of this paper is to present briefly the legal and institutional framework provided by the international organizations in the field of the exchange of information in tax matters.

The provisions of the Multilateral Convention concern the exchange upon request, automatic exchange, spontaneous exchange, simultaneous tax examination and tax examination abroad.

After the Protocol on the Multilateral Convention entered into force in 2011, the Multilateral Convention on Mutual Administrative Assistance is opened for signature for all countries in the world.

With the amendments of the Multilateral Convention and the widened scope of the Global Forum on Transparency and Exchange of Information, the exchange of information has intensified and broadened, thus establishing the foundations of the global tax instrument.

### **1. Introduction**

One of the features of the modern world is the growing international activity of the business entities. Generally, it results from the connecting and the joint entrepreneurial activity of natural and legal persons in the era of globalization. Despite the obvious benefits both for the participants and their countries, the international business poses additional challenges for the public authorities in the sense of collecting and processing information about the activities of the businesses involved in the international trade. In this context, in order to simplify the monitoring of the legality and expediency of the international businesses, the countries concluded a number of international agreements relating to mutual administrative assistance in civil, criminal and tax matters. The latter aims to prevent the illegal behavior in the area of the financial law: tax evasion, money laundering, financial terrorism etc.

Although these issues are covered by the umbrella of the international tax law and it is beyond doubt that they form an interesting academic and practical question, according to the authors, in the region of South-East Europe the academic research in this field is insufficiently developed. For these reasons, in this paper we chose to elaborate the international exchange of information in tax matters among the states. The subject of our research concerns the analysis of the institute *Information Exchange* as a basic tool for mutual

administrative assistance in tax matters provided for in the international agreements.

## 2. Historical Development

The cooperation and sharing information in tax matters is of great importance for the states. As a result, they undertake efforts to introduce appropriate rules in the area of international tax law. The development of the mutual administrative assistance among states in tax matters is realized by developing a network of international tax treaties. The issue of *legal aid* was mentioned for the first time in the agreements between Belgium and France (August 1843), Belgium and the Netherlands (May 1845) and Belgium and Luxembourg (October 1845) governing the registration tax.<sup>1</sup>

In 1921, the *League of Nations Fiscal Committee* realized the importance of the international double taxation and assembled a team of tax experts. During 1923-1927, this expert group prepared four proposals for bilateral conventions: (1) for the avoidance of double taxation on income taxes; (2) for the avoidance of double taxation with taxes on inheritance; (3) for administrative assistance in tax matters; (4) for assistance in collection of taxes. The last two draft conventions were merged in the document called "Model Bilateral Agreement on Reciprocal Assistance in Assessment and Collection of Taxes".<sup>2</sup>

Since then, the international tax law notes rise, whereas one of the most important international documents that regulate issues of international taxation is the OECD Model Tax Convention on Income and Capital. In fact, this Convention has seen growth and change and the countries enter into international agreements based on the provisions it contains. In terms of information exchange in tax matters, the general rule is that the countries perform it based on: bilateral tax treaties on income and capital, agreements to exchange information for tax purposes, the Multilateral Convention on Mutual Administrative Assistance in Tax Matters and several acts enacted by the regional organizations of which the most important are the directives and regulations adopted by the EU institutions.<sup>3</sup>

The largest contribution to the development of instruments for exchange of information in tax matters has been provided by the Organization for Economic Cooperation and Development (hereinafter: OECD).

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<sup>1</sup>Bruno Gangemi, 'International Mutual Assistance through Exchange of Information - General Report', *Cahiers de Droit Fiscal International*, Vol. 75b, Amsterdam: IBFD, 1990, 19.

<sup>2</sup>Ibid, 19.

<sup>3</sup>Directive 77/799/EEC concerning mutual assistance by the competent authorities of the Member States of the EU in the field of direct taxation and taxation of insurance premiums; Regulation (EC) No 1798/2003 concerning administrative cooperation by the EU Member States in the field of value added tax; Regulation (EC) No 2073/2004 concerning administrative cooperation by the EU Member States in the field of excise duties; Directive 2008/55/EC on mutual assistance by the EU Member States for the recovery of claims relating to certain levies, duties, taxes and other measures.

Even the first Model Tax Convention on Income and on Capital in 1963 provided in Article 26 that the rules for the exchange of information are developed and amended in order to follow the modern trends in taxation.

However, the Model Convention is limited to direct taxes and it has a bilateral character. The identified weaknesses of this act, together with the fact that there is an increased international trade activity of the subjects, created a need for further development of the mechanisms for dealing with tax evasion and the other forms of behavior of persons opposing the national tax and legal regulations by the OECD. In 1998, OECD prepared the report entitled "Harmful Tax Competition-Growing Global Problem." Observing the current situation, in 2002 OECD published the Model Agreement for Exchange of Information in Tax Matters. It is a bilateral and multilateral model agreement that countries can use when negotiating information exchange in order to prevent the appearance of an unfair competition, caused by the so-called *Tax havens*. The Model Agreement made significant progress in exchange of information in tax matters. From 2000 until today, 498 bilateral agreements concerning the exchange information for tax purposes have been signed.<sup>4</sup> When we add on this figure around 3000 bilateral treaties for double taxation on income and capital, concluded among all the countries in the world, it seems that the exchange of information is on a satisfactory level.<sup>5</sup>

Nevertheless, OECD constantly monitors the need for improved exchange of information and, therefore, it supplemented in 2010 the Multilateral Convention on Mutual Administrative Assistance in Tax Matters with a Protocol on the Convention. Following the adoption of the Protocol, change has been made or, in modern terms, the Multilateral Convention is now opened for signature by all countries in the world.

This step has undoubtedly moved the mutual administrative assistance at a higher level.

### **3. Multilateral Convention on Mutual Administrative Assistance in Tax Matters**

#### **3.1. Overview of the Convention and the Types of Exchange of Information**

In 1982, the working group on tax escape and evasion of OECD has filed a draft on the Convention on Mutual Administrative Assistance in Tax Matters to the Council of Europe, which was supposed to serve as the basis for the multilateral convention. The Multilateral Convention on Assistance in Tax Matters (hereinafter: Multilateral Convention) is opened for signature from January, 25 1988.<sup>6</sup>

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<sup>4</sup>OECD, Tax Information Exchange Agreements, Paris: OECD, 2011.

<sup>5</sup>OECD, *OECD's Current Tax Agenda*, Paris: OECD, 2011, 86.

<sup>6</sup>Bruno Gangemi, 'International Mutual Assistance through Exchange of Information - General Report', *Cahiers de Droit Fiscal International*, Vol. 75b, Amsterdam: IBFD, 1990, 21.

The Multilateral Convention represents a document that is unique in its scope. It is the only international act which, in addition to exchange of information, provides the States Parties with opportunities on examination of the facts abroad, collection of tax claims, security measures claims and delivery of documents.

Although this is a broad field with potential for a more extensive elaboration, in the interest of the subject of research in this paper, in the following section we will focus on the exchange of information in tax matters.

There are qualitative differences between the Multilateral Convention and the other international agreements. Regarding the area of application, the Multilateral Convention stipulates that it will be applied to direct taxes introduced by central and local authorities, mandatory social contributions and all other taxes charged by the countries with exception of the customs duties (as their regime is regulated by special agreement).<sup>7</sup>

The taxes on which the Multilateral Convention will be applied are divided into two categories. The first enumerates the income taxes, taxes on capital gains and property taxes that are collected by the central government. In this field, the States Parties to the Convention have no right to put reserves or narrow the scope of the acceptance, since these are tax forms that are part of the majority of legal systems. All other tax forms under the jurisdiction of the central government or local authorities are included in the regime provided under the second category and they are subject of reservations by the States Parties.<sup>8</sup>

If a legal situation arises where the adopted legislative amendments in national tax law causes or imposes tax changes, the countries should notify the Secretary General of the OECD or the General Secretary of the Council of Europe.<sup>9</sup> Precisely for these needs, the appropriate register of tax forms of States Parties is run. Besides the registry of tax forms, the two above-mentioned organizations run two more registers - a register of tax authorities in the States Parties and a register on the rules of nationality of the States Parties.

### 3.1.1. Exchange of Information

The exchange of information is the fastest way for administrative assistance among the tax authorities. The exchange of information helps to determine and verify facts that are important for the application of national tax regulations and it provides legal

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<sup>7</sup>International Convention on Mutual Administrative Assistance for the Prevention, Investigation and Repression of Customs Offences, prepared under the auspices of the Customs Co-operation Council (now: the "World Customs Organization")

<sup>8</sup>OECD, *The Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, Paris: OECD Publishing, 2011, 40.

<sup>9</sup>The General Secretaries of both institutions work as Depositaries of all necessary documents and notifications relevant to the execution of the Convention.

certainty for the application of incentives and exemptions to taxpayers in cases of double taxation. The exchange of information is performed on data with predictive validity. This rule means that the countries cannot require data from another jurisdiction without a specific purpose for which they require data, preventing them to muddy the waters.

Generally, we know five ways to exchange information: an exchange upon request, an automatic exchange, a spontaneous exchange, simultaneous tax examination and a tax examination abroad.

3.1.1. a) **Exchange of information on request** is made in the case when a State Party to the Multilateral Convention requests from another State Party information to complement data obtained from a particular taxpayer or to check the authenticity of the facts available.<sup>10</sup> The request is submitted to the country's agency that performs the administration of appropriate tax, referred to in the register of tax authorities led by the OECD.

The exchange request is the most appropriate solution for collection of taxes in another country, especially when the person who is obliged to pay tax is a resident of that other country (there may be already initiated or to initiate in future a procedure on legal remedies for the determined tax).

3.1.1. b) **An automatic exchange of information** consists of submitting data for specific group of taxpayers. The data for the automatic exchange of information consists of collected tax or withholding tax collected by the State Party which provided the data. So far, this form of exchange gave positive results, to which the most recent reports point. Thus, "... With the automatic exchange of information, the application of tax regulations is improved and the violations that otherwise would not be noticed are revealed."<sup>11</sup>

In theory, it is simple to highlight the benefits of exchange of information, but in legal practice a prejudicial settlement of certain prior issues between future leaders who will participate in the exchange is required. Thus, it is necessary that an *Agreement on procedure and types of taxes* is signed. That would facilitate the exchange of information between the tax authorities of those countries. The purpose of this Agreement is to avoid inefficiency in the automatic exchange of all information that the country can provide for an automatic exchange, because the tax authorities do not need constantly to exchange the same information with the same intensity. The volume of information transmitted to the automatic exchange will depend on the tax-administrative capacity of the countries. In addition, automatic exchange provides another important advantage. If the taxpayers are informed on the exchange of information, the level of application of tax regulations, the number of cases of public revenues whose estimation is made, the basis of wrong information will be reduced after few years.<sup>12</sup>

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<sup>10</sup>OECD, *The Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, Paris: OECD Publishing, 2011, 48.

<sup>11</sup>OECD, *The Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, Paris: OECD Publishing, 2011, 49.

<sup>12</sup>Ibid, 49.

**3.1.1. c) A spontaneous exchange of information** occurs when one of the States Parties acquired information that is assumed to be of interest to another State Party to the Multilateral Convention and it transmits the information, although the other country has not required that. "The information that is spontaneously exchanged is often more useful than the automatically exchanged information is, because they contain facts that the country has acquired and processed, or data identified and noted by the tax authorities during an audit or an inspection of the taxpayer."<sup>13</sup>

**3.1.1. d) Simultaneous tax examination** is a form of data exchange which is very useful for tracking transactions of related subjects, reduction of economic double taxation and disclosure of contracts for tax planning. Simultaneous examination occurs when the tax authorities of at least two countries agreed to commit organized examination of the operations of a person or persons whose lawful activities have common or related interest. Once they agree on the cases to investigate and the schedule of activities, each tax authority executes the agreed activities in the area of its jurisdiction. By simultaneous examining, many cases are controlled. This group includes individuals and legal persons who are residents of one country, but work in another State Party and even multinational companies operating in multiple countries. The simultaneous examination permits that facts are quickly established and duplication of procedural actions taken by tax authorities from different countries is avoided.

**3.1.1. e) Tax examination abroad** is done after the country submits a request for certain information, but they can not be provided by the tax authorities of another State Party. Due to the urgency of the information, the first country submits a request to investigate the tax status of the other country.<sup>14</sup> In some cases the delivery of information exchanged spontaneously can be followed by a request for examination of the state tax situation abroad as response. A request for examination of information abroad should be submitted by the countries only in cases where the tax authorities of the country that requires examination are sure that these data would help to resolve many tax cases in that country.<sup>15</sup> The tax authorities of the country that requires examination of the tax situation abroad can request its tax officials to attend the performance of the examination in the other country. The country from which execution of examination is required sovereignly decides whether to allow the presence of foreign tax officials and whether they will have an active role or will be passive observers.

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<sup>13</sup>OECD, *The Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, Paris: OECD Publishing, 2011, 50.

<sup>14</sup>OECD, *The Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, Paris: OECD Publishing, 2011, 54.

<sup>15</sup>OECD, *The Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, Paris: OECD Publishing, 2011, 55.

### 3.2. Protocol 2010 to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (Amendments and their Meaning)

OECD published the Protocol of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (hereinafter: the Protocol). The Protocol is in force since June 1, 2011. The Protocol made changes to the Convention that contributed to a whole new trend of administrative assistance in tax matters, in order to respect the international standards for cooperation in taxes in the most of the countries in the world.<sup>16</sup> In the following section we will enumerate the structural changes of the Convention without reserving the reader's attention to the technical corrections.

Already at the beginning, the Protocol changes a part of the Preamble of the Multilateral Convention. Thus, the wording: "... the countries should not take measures to transmit information unless those measures are in accordance with their national legislation and practice" was replaced with: "... the countries should take measures to transfer information."<sup>17</sup>

The purpose of the amendment is to limit the possibility that the countries refuse transfer of information they possess.

The Protocol provides that the parties will exchange information relevant to implementation and enforcement of their national laws governing taxes that are the subject of the Multilateral Convention.<sup>18</sup> The previous provision was limited only to exchange of information in the field of: assessment and collection of taxes, return and execution of tax receivables from taxpayers, handling the administrative authorities and the beginning of a criminal prosecution before the court.

With the amendments, the Protocol deleted the provision on the use of information received from another country and it envisioned providing prior approval for use in criminal proceedings.

The Multilateral Convention provides legal safeguards for persons subjected to the Convention.<sup>19</sup> Cases in which the country has the right to refuse to give legal advice are listed with standardization. The Protocol changes this list of cases.

- The Protocol deleted the section that allows the country to refuse information in order to protect important State interests;<sup>20</sup>

- Transmission of information on the application of national tax laws that discriminates against citizens of a particular country can

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<sup>16</sup>Council of Europe, *Protocol amending the Convention on Mutual Administrative Assistance in Tax Matters*, Council of Europe Treaties No. 208, Strasbourg: Council of Europe and OECD, 2010, 1.

<sup>17</sup>Council of Europe, *Protocol amending the Convention on Mutual Administrative Assistance in Tax Matters*, Council of Europe Treaties No. 208, Strasbourg: Council of Europe and OECD, 2010, 1.

<sup>18</sup>Council of Europe, *Protocol amending the Convention on Mutual Administrative Assistance in Tax Matters*, Council of Europe Treaties No. 208. Strasbourg: Council of Europe and OECD, 2010, Article 2.

<sup>19</sup>OECD, *The Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, Paris: OECD Publishing, 2011, 20-21.

<sup>20</sup>*Ibid*, 20-21.

be refused (previously the discrimination was limited to application of the Convention);

- The country cannot refuse to provide administrative assistance in gathering information at the request of another country only because it has no legal interest in providing administrative assistance to the other country;

- The countries may not refuse to give information only because such information is owned by a bank, a financial institution, an agent or because it is associated with the ownership rights of the person.<sup>21</sup>

Respecting the rules of secrecy, the Protocol allows the use of information obtained from another country only by the bodies and authorities that are authorized for the application of tax regulations. However, the information may be used in public court proceedings related to those taxes.<sup>22</sup> In this context, we underline that the original text of the Multilateral Convention insisted on prior approval from the country that provided the information.

The time validity of the Protocol amending the Multilateral Convention is conditioned with the entry into force on the first day of the month after which three months have passed and five Member States of the OECD or of the Council of Europe submit to the depositary receipt of the above organizations.<sup>23</sup>

From legal perspective, once the Protocol enters into force, countries that are not members of the OECD or the Council of Europe may request permission from the States Parties to the Multilateral Convention to sign it. From an administrative and technical aspect, this application will be followed by a depositary and it will be decided accordingly by the Signatories of the Convention through the Multilateral Coordination Body with consensus.<sup>24</sup> With regard to the legal consequences, each country that joins the Multilateral Convention after its entry into force is bound, according to the same, from the first day after the expiration of three months after the country has submitted the proof of ratification. (We should mention that previously the Multilateral Convention was opened for signature only to the countries of OECD and Council of Europe).

Perhaps in a limited manner (as it has only 10 articles), but it is obvious that the Protocol resulted in significant developments in the international cooperation in tax matters and it intensified the cooperation among all countries in the world.

#### **4. Global Forum for Transparency and Exchange of Information and Taxation**

The legal practice and the international exchange imposed the necessity, despite the legal solutions provided by the Convention, to approach toward the institutionalized support in this area. That

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<sup>21</sup>Ibid, 21.

<sup>22</sup>Ibid, 21-22.

<sup>23</sup>Council of Europe, *Protocol Amending the Convention on Mutual Administrative Assistance in Tax Matters*, Council of Europe Treaties No. 208, Strasbourg: Council of Europe and OECD, 2010, Article 9.

<sup>24</sup>Ibid, Article 8.5.



institutional support was achieved in 2001 by establishing the Global Forum on Transparency and Exchange of Information in Taxation (hereafter: the Global Forum). The Member States of the OECD ensured its functioning and it is the driving force behind the development of international standards on transparency and exchange of information on taxation.

The Global Forum was reformed in 2009 at the summit in Mexico and now it works as an independent organization in which all Member States are equal. Previously, the Global Forum was funded through the programs of the OECD, but after the restructuring, each Member State is obliged to pay a constant contribution (15,100 euro) and a progressive contribution, according to the national GDP of the country.<sup>25</sup> In this context, it is interesting to mark that the budget of the Global Forum in 2011 was 3.1 million, fully funded by the Member States.

Members of the Global Forum are: 105 countries, the European Union and 9 international organizations. The data indicates that the extensive membership ensures that the Global Forum is the largest group of countries in the world dealing with tax matters.

The countries that pretend to become members of the Global Forum need to meet formal requirements: to pledge to apply international standards of transparency and exchange of information; to participate and contribute in preparation of expert reports and to deviate funds for the budget of the Global Forum.<sup>26</sup>

The increased globalization contributes to the creation of international financial centers in both developed and developing countries. Because of this, all countries in the world become more connected to each other. The transparency and the effective exchange of information have an important role in detecting erosion of tax base in developing nations, as reflected in the revenue of the country or other countries that levy taxes. The transparency of tax facts contributes to the credibility of the entire tax system.

The practice of submitting annual reports by the Global Forum to G20 was established in 2008.<sup>27</sup> This instrument is requested by the G20 in order to contribute to the intensification and effective exchange of tax information.<sup>28</sup> Justification is recognized in the need to improve transparency and exchange information in tax matters, in order to increase the degree of application of tax regulations and protection from unlawful reduction of tax basis.

In terms of activities for the future, Multi Action Plan is prepared. It provides guidelines for development in order to ensure

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<sup>25</sup>Global Forum on Transparency and Exchange of Information for Tax Purposes, *Tax Transparency 2011: Report on Progress*, Paris: OECD Publishing, 2011, 11.

<sup>26</sup>Global Forum on Transparency and Exchange of Information for Tax Purposes, *Tax Transparency 2011: Report on Progress*, Paris: OECD Publishing, 2011, 20.

<sup>27</sup>G20 is a group of 19 developed countries, developing countries and the European Union with a goal to promote financial stability in the world and to take measures on economic growth and development.

<sup>28</sup>Global Forum on Transparency and Exchange of Information for Tax Purposes, *Tax Transparency 2011: Report on Progress*, Paris: OECD Publishing, 2011, 28.

that the Global Forum strengthens its work in prevention of tax evasion in developing countries.<sup>29</sup> For this purpose, the Global Forum is responsible to report on countries that do not cooperate to prevent tax evasion. It is expected that in 2014 the Global Forum that operates from 15 Member States will rely on the expert group reports (for states and their activity in this area), with a task to oversee the process of cooperation and sharing information.

Over 60 reports have been prepared and published to date, which cover more than half of the Member States of the Global Forum.

#### 4.1. Objectives and Functions of the Global Forum

According to Article 26 of the Model Tax Convention on income and on capital and the Model Agreement for Exchange of Information in Tax Matters from 2002, *Standards of Transparency and Exchange of Information* have been prepared. Their goal is to establish balance between the privacy of the taxpayers and the application of the national tax rules. From a content perspective, one of the most important rules is that when the exchange of information is important for the implementation of domestic rules of the State Party, limits due to information obtained from banks or absence of a national interest of the country are not permitted. Furthermore, there are rules for access to relevant information and the opportunity to obtain them; respect of the rights of the bonds and strict confidentiality of exchanged information.<sup>30</sup>

Generally, the standards are divided into 3 groups:

- A) Access to Information (information about ownership and identity, accounting information and banking information);
- B) Access to Information, and
- C) Exchange of information.

Within these groups, there are 10 elements permitting the assesment of each country establishing the legal framework and drafting the report on the practical application of the regulations.<sup>31</sup> In order to achieve equalization in the assessment and preparation of the countries' reports, there are appropriate values and qualitative terms grading the revised elements. For example, in the first-stage reports the following elements are assessed: "the item was properly regulated", "the element is in place", "properly regulated, but improvements are needed" or "element is not properly regulated" etc.<sup>32</sup>

In favor of the institutional networking and the successful strengthening of the institute exchange of information is the fact that

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<sup>29</sup>Published in Seoul on the Annual Conference in November 12, 2010.

<sup>30</sup>Global Forum on Transparency and Exchange of Information for Tax Purposes, *Information Brief*, Paris: OECD, 2011, 7.

<sup>31</sup>Global Forum on Transparency and Exchange of Information for Tax Purposes, *Tax Transparency 2011: Report on Progress*, Paris: OECD Publishing, 2011, 30.

<sup>32</sup>Ibid, 78.

in the already completed reports, only 8 states do not require improvements to the examined elements.<sup>33</sup>

Finally, we can freely say that the Global Forum contributes significantly to the development of exchange of information worldwide. Support of this assertion is found in the fact that since its restructuring in 2009, 700 agreements were concluded on double taxation or exchange of information in tax matters.

## 5. Conclusion

As a major process, the globalization has impact on the business activity and international trade and exchange. Therefore, the countries face an increasing need for institutional and normative regulation of the institute Information Exchange in Tax Matters. One of the most important facts that concerns all involved parties is that it affects all countries, due to the amount of tax funds flowing into the state budget.

The transparency and the effective exchange of information have an important role in detecting erosion of tax base in the developing countries, as reflected in the revenue of the country or of the other countries that levy taxes. The transparency of tax facts contributes to the credibility of the entire tax system.

Despite the legal provisions of the Convention, the legal practice and the international exchange imposed the necessity to accede to institutionalized support in this area. The institutional support was achieved in 2001 by establishing Global Forum on Transparency and Exchange of Information in Taxation. The establishment and entrusting significant responsibilities to the Global Forum contributed that the countries do not benefit from creating a non-transparent legal system.

In the context of the further intensifying of cooperation among the countries in the area of international tax law, some amendments are worth noting, such as those promoted by the Protocol of 2010 that provide for greater cooperation among the State Parties. At the same time, the Convention was opened for signature by all countries in the world. This method provides an appropriate legal and institutional framework for information exchange in tax matters worldwide.

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<sup>33</sup>Global Forum on Transparency and Exchange of Information for Tax Purposes, *Information Brief*, Paris: OECD, 2011, 20.



## EXCHANGE OF INFORMATION IN TAX MATTERS AMONG THE STATES

### **Summary**

The legal framework regulating the institute Information Exchange in Tax Matters is a very important question in the era of globalization. The paper deals with the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, along with the latest amendments and their implication for everyday practice.

**Key words:** Exchange of information, mutual administrative assistance, Global Forum on Transparency and Exchange of Information.

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