

## Appendix III

### Counterparties to DTCs and TIEAs

(All data extracted from the relevant government databases and the OECD Assessment)

Country Groups			Counterparties					TIEAs*	
			DTCs					TIEAs*	
			OECD Countries	EU Countries <sup>†</sup>	Trading Partners	Former Colonies	Small & Dev'g Countries	Small & Dev'g Countries	
<b>Group 1</b>									
1	United States	55	30	29	5	13		1	18
2	United Kingdom	109	0	29	5	27	41		
3	Canada	84	1	27	8	26		1	
4	Japan	44	0	26	2	12			
5	France	104	10	29	9	29	20		
6	Germany	89	3	29	7	28			
7	Italy	73	0	28	7	20			
8	Switzerland	68	0	28	7	16		1	
9	Austria	67	0	28	5	17			
10	Luxembourg	46	0	28	2	6			
<b>Group 2</b>									
1	Cayman Islands	0	1						
2	British Virgin Islands	0	1						
3	Barbados	23	1	8		2		9	
4	St Kitts and Nevis	10	0	1				9	
5	St Lucia	11	1	1				9	
6	Samoa	0	0						
7	Vanuatu	00							
8	Isle of Man	1	0	1					
<b>Group 3</b>									
1	Mauritius	30	0	7		11			
2	Singapore	49	0	24		15			
3	United Arab Emirates	25	0	11		5			
4	Bahrain	11	0	1		2			
5	Hong Kong, China	2	0	1		1			
6	Costa Rica	0	1						
7	Monaco	1	0						

Small and developing countries indicates countries with population of less than 300,000, which are not former colonies.

\*TIEAs in this context means 'stand-alone' TIEAs, i.e. not supported by a DTC.

†Countries which are members of the EU, but not of the OECD.

## Notes

- 1 OECD, 'Tax Co-operation: Towards a Level Playing Field – 2006 Assessment by the Global Forum on Taxation' (14 August 2006) <[http://www.oecd.org/document/60/0,2340,en\\_2649\\_37427\\_36791868\\_1\\_1\\_1\\_37427,00.html](http://www.oecd.org/document/60/0,2340,en_2649_37427_36791868_1_1_1_37427,00.html)>
- 2 Examples of this include the anti-trust laws in the USA and the Competition Act in the UK, as well as the European Competition Directives.
- 3 The ITIO is a group of small and developing countries which work for a 'level playing field in the trade in services', 23 July 2006 <[www.ITIO.org](http://www.ITIO.org)> The ITIO's Proposal for the Level Playing Field (23 July 2006) <[http://www.itio.org/documents/Levelling\\_the\\_playing\\_field.htm](http://www.itio.org/documents/Levelling_the_playing_field.htm)>
- 4 W. Leibfritz, J. Thornton and A. Bibbee (1997). 'Taxation and Economic Performance', OECD/GD(97)107, OECD Economics Department Working Paper No. 176; R. Griffith and A. Kemm (2004). 'What Has Been the Tax Competition Experience of the Last Twenty Years?', Institute of Fiscal Studies and University College London, WP04/05; R. Teather (2005). 'The Benefits of Tax Competition', Institute of Economic Affairs, London.
- 5 OECD (1998). *Harmful Tax Competition: An Emerging Global Issue*, p. 7, para. 2 (14 August 2006) <<http://www.oecd.org/dataoecd/33/0/1904176.pdf>>
- 6 OECD (note 5).
- 7 OECD (note 5, Annex II).
- 8 Robert Kudrle (2005). 'US Defection from the OECD "Harmful Tax Competition" Project: Rhetoric and Reality', Hubert Humphrey Institute, University of Minnesota.
- 9 Kudrle (note 8).
- 10 ITIO (2003). 'Levelling the Playing Field', Proposal by the ITIO to the OECD Global Tax Forum, 14–15 October 2003, Ottawa, Canada.
- 11 Kudrle (note 8); M. Langer (2002). 'The Outrageous History of Caribbean Tax Treaties with OECD Member States', *Tax Notes International*, 10 June 2002, pp. 1187–99; G. Rawlings (2005). 'Responsive Regulation, Multilateralism, Bilateral Tax Treaties and the Continued Appeal of Offshore Finance Centres', working paper No. 74, Centre for Tax System Integrity Research, School of Social Sciences, Australian National University, Canberra.
- 12 OECD (2000). 'List of 35 "Tax Havens"' (12 August 2006) <<http://www.oecd.org/dataoecd/60/11/2664514.pdf>>. Six countries threatened with being 'blacklisted', but which made political commitments to enter into EOI upon request agreements, were excluded from this list; they were Bermuda, Cayman Islands, Cyprus, Malta, Mauritius and San Marino.
- 13 For the six countries, see note 12.
- 14 The jurisdictions included Aruba, Bahrain, Isle of Man, Netherlands Antilles and the Seychelles (OECD, 2001, #420, para. 22).
- 15 This narrowing of the OECD's scope may arguably be related to the change in the stance of the USA following the election of President Bush. Treasury Secretary O'Neill's Statement on OECD Tax Havens, US Office of Public Affairs (27 October 2006) <<http://www.ustreas.gov/press/releases/po366.htm>>
- 16 OECD (2002). 'Agreement on Exchange of Information on Tax Matters' (13 August 2006) <<http://www.oecd.org/dataoecd/15/43/2082215.pdf>>
- 17 OECD (2006). Note 1, Annex III.
- 18 D. Wise (1982). 'International Banking Facilities and the Future of Off-Shore Banking', Fletcher Forum, p. 300.
- 19 Rawlings, see note 11.
- 20 R. Johns (1983). *Tax Havens and Offshore Finance*, Pinter, London, p. 29.
- 21 R. Aliber (1979). 'Monetary Aspects of Offshore Markets', *Columbia Journal of World Business*, 14(3), p. 19.
- 22 F. Edwards (1981). 'The new "International Banking Facility": a study in regulatory frustration', *Columbia Journal of World Business*, 16, p. 6.
- 23 A. Leyshon (1992). 'The Transformation of Regulatory Order: Regulating the Global Economy and Environment', *Geoforum*, 23(3), p. 260.
- 24 OECD (note 23). Liquidity refers to the ability to buy or sell a particular item relatively quickly without causing a significant movement in the price.
- 25 OECD (1998). 'Harmful Tax Competition: An Emerging Global Issue', p. 21, para. 48 (14 August 2006) <<http://www.oecd.org/dataoecd/33/0/1904176.pdf>>
- 26 Leibfritz et al; Griffith and Kemm; and Teather (note 4).

- 27 The justification given was that residents of non-treaty countries had used the Caribbean treaties to reduce withholding taxes on investment into the OECD countries. Langer (note 11).
- 28 Any potential or perceived abuse of these treaty extensions arguably could have been adequately addressed by well drafted limitation on benefit provisions (LOB); see Langer (note 11).
- 29 R. Keohane and J. Nye Jr, 'The Club Model of Multilateral Cooperation and Problems of Democratic Legitimacy', paper prepared for the American Political Science Convention, Washington, DC, 31 August–3 September 2000.
- 30 D. Wise (1982). 'International Banking Facilities and the Future of Off-shore Banking', 6 Fletcher Forum, p. 312.
- 31 A. Hudson, 'Beyond the Borders: Globalisation, Sovereignty and Extraterritoriality' (15 April 2000) <<http://www.alanhudson.org.uk/borders.pdf>>
- 32 R. O'Brien (1992). *Global Financial Integration: The End of Geography*, Royal Institute of International Affairs, London, p. 1.
- 33 Jeffrey Owens (2002). 'The OECD work on Tax Havens', presented at the Friedrich Ebert Foundation Conference on 'Money Laundering and Tax Havens – The Hidden Billions for Development', OECD Centre for Tax Policy and Administration, p. 6.
- 34 W.F. Wechsler (2001). 'Follow the Money', *Foreign Affairs*, 80, p. 40.
- 35 FATF (2006). 'Summary of the Third Mutual Evaluation Report on Anti-Money Laundering and Combating the Financing of Terrorism: United States of America', from para. 36; FATF (2005). 'Summary of the Third Mutual Evaluation Report Anti-Money Laundering and Combating the Financing of Terrorism: Australia' (22 August 2006) <[www.fatf-gafi.org/dataoecd/22/38/35509034.pdf](http://www.fatf-gafi.org/dataoecd/22/38/35509034.pdf)>; FATF (2005). 'Summary of the Third Mutual Evaluation Report Anti-Money Laundering and Combating the Financing of Terrorism: Ireland' (22 August 2006) <[www.fatf-gafi.org/dataoecd/63/29/36336845.pdf](http://www.fatf-gafi.org/dataoecd/63/29/36336845.pdf)>
- 36 (IMF) (2004). 'Offshore Financial Centers: The Assessment Program – An Update' (16 August 2006) <<http://www.imf.org/external/np/mfd/2004/eng/031204.pdf>>
- 37 J. Nye Jr (2003). 'The "Democracy Deficit" in the Global Economy: Enhancing the Legitimacy and Accountability of Global Institutions', Task Force Report #57 – The Trilateral Commission (23 July 2006) <<http://www.trilateral.org/projwork/tfrsums/tfr57.htm>>
- 38 The OECD published a list in June 2000 of countries which would be 'blacklisted' as 'havens' unless they made political commitments to comply with the wishes of the OECD member countries (14 August 2006) <<http://www.oecd.org/dataoecd/60/11/2664514.pdf>> The OECD subsequently published a 'blacklist' of 'uncooperative tax havens' (2002) (14 August 2006) <[http://www.oecd.org/document/19/0,2340,en\\_2649\\_201185\\_2082323\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/19/0,2340,en_2649_201185_2082323_1_1_1_1,00.html)>
- 39 Society of Trust and Estate Practitioners (STEP) (2005). 'Deconstructing National Tax Blacklists: Removing the Obstacles to Cross-Border Trade in Financial Services', Report prepared for the Society of Trust and Estate Practitioners, presented at the 'Beyond the Level Playing Field?' symposium, London, 19 September 2005.
- 40 STEP (note 39).
- 41 Commonwealth Secretariat (2006). 'Developmental Implications of Anti-Money Laundering Taxation Regulations', paper prepared by J. C. Sharman, presented at the Commonwealth Finance Ministers Meeting, Sri Lanka 12–14 September, 2006 (28 October 2006) < [http://www.thecommonwealth.org/Shared\\_ASP\\_Files/UploadedFiles/60F584BC-D173-40B2-A126-05DCC68DC6E7\\_FMM\(06\)17.pdf](http://www.thecommonwealth.org/Shared_ASP_Files/UploadedFiles/60F584BC-D173-40B2-A126-05DCC68DC6E7_FMM(06)17.pdf)>
- 42 OECD (2006) (note 1), p. 53.
- 43 ITIO (2003). 'Levelling the Playing Field', Proposal by the ITIO to the OECD Global Forum on Taxation, Ottawa, Canada, 14–15 October 2003.
- 44 Ibid., closing statement by the co-chairs (13 October 2006) < [http://www.oecd.org/document/0/0,2340,en\\_2649\\_33745\\_16643264\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/0/0,2340,en_2649_33745_16643264_1_1_1_1,00.html)>
- 45 OECD countries included in this sub-group are: Australia, France, Germany, Japan, and USA. Non-OECD countries include the Bahamas, Cayman Islands, Isle of Man, Jersey, Mauritius, Panama, St Kitts & Nevis and Samoa. The sub-group also includes representatives of the OECD Secretariat and the Commonwealth Secretariat.
- 46 OECD (2004). 'The OECD'S Project on Harmful Tax Practices: the 2004 Progress Report' (Berlin Report), p. 12, para. 21 (14 August 2006) <<http://www.oecd.org/dataoecd/60/33/30901115.pdf>>
- 47 Berlin Report (note 41), para. 8.
- 48 Berlin Report (note 41), para. 3.
- 49 The survey sought to identify legal and administrative frameworks for exchange of tax information in all OECD countries, all non-OECD countries originally targeted in the 2000 'blacklists' and non-OECD financial centres not originally targeted in the Harmful Tax Competition Initiative.

- 50 Progress Towards a Level Playing Field: Outcomes of the OECD Global Forum on Taxation, Melbourne, 15–16 November 2005, para. 8(v) (13 October 2006) <http://www.oecd.org/dataoecd/28/55/35670025.pdf>
- 51 FATF, 'FATF Assesses the United States System for Combating Money Laundering and Terrorist Financing' <[http://www.fatf-gafi.org/document/23/0,2340,en\\_32250379\\_32237217\\_37101591\\_1\\_1\\_1\\_1,00.html](http://www.fatf-gafi.org/document/23/0,2340,en_32250379_32237217_37101591_1_1_1_1,00.html)>; General Accounting Office; Minimal Ownership Information is Collected and Available (13 October 2006) <<http://www.gao.gov/new.items/d06376.pdf>>
- 52 The World Bank statistical resources (14 August 2006): Gross Domestic Product (PPP GDP) <[http://site.resources.worldbank.org/DATASTATISTICS/Resources/GDP\\_PPP.pdf](http://site.resources.worldbank.org/DATASTATISTICS/Resources/GDP_PPP.pdf)>; Gross National Income per Capita (GNIPC) <<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GNIPC.pdf>>; Population <<http://siteresources.worldbank.org/DATASTATISTICS/Resources/POP.pdf>>
- 53 OECD (2006), Table A3, p. 85 (note 1).
- 54 Internal Revenue Services, Income Tax Treaties (14 August 2006) <<http://www.irs.gov/businesses/international/article/0,,id=96739,00.html>>
- 55 These countries include the British Virgin Islands, the Marshall Islands, St Lucia, Cayman Islands, Turks and Caicos Islands, Montserrat, Anguilla, Jersey, Isle of Man, Grenada, Guernsey, Dominica, the Bahamas, Bermuda, Barbados, Aruba, the Netherlands Antilles and Antigua and Barbuda. The original OECD list of target countries in 2000 (14 August 2006) < <http://www.oecd.org/dataoecd/60/11/2664514.pdf>>
- 56 This is evidenced by Trinidad, Jamaica and Mexico, with Mexico also being an OECD country.
- 57 General Accountability Office (2006). 'Company Formations: Minimal Ownership' (14 August 2006) <<http://www.gao.gov/new.items/d06376.pdf>>
- 58 FATF (2006). 'Summary of the Third Mutual Evaluation Report on Anti-Money Laundering and Combating the Financing of Terrorism: United States of America', p. 9.
- 59 World Bank statistical resources (note 44).
- 60 OECD 2006 Assessment (note 45).
- 61 HM Revenue and Customs (22 August 2006) <<http://www.hmrc.gov.uk/international/treatiesb.htm>>
- 62 World Bank statistical resources (note 44).
- 63 OECD 2006 Assessment (note 45).
- 64 Department of Finance, Canada (22 August 2006) < [http://www.fin.gc.ca/treaties/cndtxtreat\\_e.html](http://www.fin.gc.ca/treaties/cndtxtreat_e.html)>
- 65 World Bank statistical resources (note 44).
- 66 OECD 2006 Assessment (note 45).
- 67 World Bank statistical resources (note 44).
- 68 OECD 2006 Assessment (note 45).
- 69 World Bank statistical resources (note 44).
- 70 OECD 2006 Assessment (note 45).
- 71 World Bank statistical resources (note 44).
- 72 OECD 2006 Assessment (note 45).
- 73 World Bank statistical resources (note 44).
- 74 OECD 2006 Assessment (note 45).
- 75 World Bank statistical resources (note 44).
- 76 OECD 2006 Assessment (note 45).
- 77 World Bank statistical resources (note 44).
- 78 OECD 2006 Assessment (note 45).
- 79 The World Bank categorises countries with a per capita income of over \$10,726 per annum as 'high-income' countries (14 August 2006) <<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GNIPC.pdf>>
- 80 World Bank statistical resources (note 44).
- 81 World Bank statistical resources (note 44).
- 82 IMF 'Cayman Islands: Assessment Supervision and Regulation of the Financial Sector' (14 August 2006) <<http://www.imf.org/External/Pubs/FT/SCR/2005/cr0591.pdf>>
- 83 United Nations (14 August 2006) <<http://esa.un.org/unpp/>>
- 84 Development Planning Unit of the British Virgin Islands, 14 August 2006 <<http://www.dpu.gov.vg/Plans/NIDS/PresentSituation.htm>>
- 85 World Bank statistical resources (note 44).
- 86 The World Bank categorises countries with a per capita income of \$3,446–\$10,725 per annum as 'upper middle-income' countries (14 August 2006) < <http://siteresources.worldbank.org/DATASTATISTICS/Resources/GNIPC.pdf>>
- 87 World Bank statistical resources (note 44).

- 88 OECD 2006 Assessment (note 45).
- 89 Barbados Ministry of Finance (22 August 2006) <[http://www.treasury.gov/offices/tax-policy/library/barbados\\_protocol.pdf](http://www.treasury.gov/offices/tax-policy/library/barbados_protocol.pdf)>
- 90 World Bank statistical resources (note 44).
- 91 OECD 2006 Assessment (note 45).
- 92 World Bank statistical resources (note 44).
- 93 OECD 2006 Assessment (note 45).
- 94 World Bank statistical resources (note 44).
- 95 OECD 2006 Assessment (note 45).
- 96 World Bank statistical resources (note 44).
- 97 OECD 2006 Assessment (note 45).
- 98 World Bank statistical resources (note 44).
- 99 OECD 2006 Assessment (note 45).
- 100 World Bank statistical resources (note 44).
- 101 OECD 2006 Assessment (note 45).
- 102 Mauritius Ministry of Finance and Economic Development (22 August 2006) <<http://www.gov.mu/portal/sites/nch/fsc/tax.htm>>
- 103 World Bank statistical resources (note 44).
- 104 OECD 2006 Assessment (note 45).
- 105 Inland Revenue Authority of Singapore (23 August 2006) <[http://www.iras.gov.sg/ESVPortal/tax\\_resources/treaties/index.asp](http://www.iras.gov.sg/ESVPortal/tax_resources/treaties/index.asp)>
- 106 World Bank statistical resources (note 44).
- 107 World Bank statistical resources (note 44).
- 108 OECD 2006 Assessment (note 45).
- 109 World Bank statistical resources (note 44).
- 110 OECD 2006 Assessment (note 45).
- 111 World Bank statistical resources (note 44).
- 112 OECD 2006 Assessment (note 45).
- 113 Inland Revenue Department of Hong Kong (24 August 2006) <<http://www.ird.gov.hk/eng/tax/edu.htm>>
- 114 The World Bank statistical resources (note 44).
- 115 OECD 2006 Assessment (note 45).
- 116 The World Bank categorises countries with a per capita income of over \$10,726 per annum as 'high income' countries (14 August 2006) <<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GNIPC.pdf>>
- 117 World Bank statistical resources (note 44).
- 118 OECD 2006 Assessment (note 1); Département des Finances et de l'Economie (12 August 2006) <<http://www.gouv.mc/devwww/wwwnew.nsf/1909S/495e638995f98929c1256f5e0052c441gb?OpenDocument&4Gb>>
- 119 IMF (note 34).
- 120 UNCTAD (2002). 'Experiences with Bilateral and Regional Approaches to Multilateral Cooperation in the Area of Long-Term Cross-Border Investment, Particularly Foreign Investment', Trade and Development Board, Commission on Investment, Technology, and Related Financial Issues, Expert Meeting in Geneva, 12–14 June 2002, p. 5 (26 August 2006) <[http://www.unctad.org/en/docs/c2em11d2\\_en.pdf](http://www.unctad.org/en/docs/c2em11d2_en.pdf)> In September 2005 the OECD reported that there are more than 2500 bilateral tax treaties in force around the world (3 September 2006) [http://www.oecd.org/document/11/0,2340,en\\_2649\\_33747\\_35318475\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/11/0,2340,en_2649_33747_35318475_1_1_1_1,00.html)
- 121 OECD 2006 (note 1), p. 15 para. 31. Sixty-five of the approximate 150 countries are included in this report.
- 122 In this context other benefits were negotiated, such as the Caribbean Basin Initiative.
- 123 Langer (note 11), p. 7.
- 124 OECD 2006 report, p. 17, para. 31.
- 125 ITIO (2005). 'Levelling the Playing Field', OECD Global Tax Forum, Melbourne, 15–16 November, p. 3.
- 126 ITIO (2006). 'Global Transparency, Exchange of Tax Information and Small Nations – Much Has Been Done, But More is Needed to Ensure a Level Playing Field' (22 August 2006) <[http://www.itio.org/documents/itio\\_oecd\\_final.pdf#search=%22'vicious'%20circle'%22](http://www.itio.org/documents/itio_oecd_final.pdf#search=%22'vicious'%20circle'%22)>
- 127 R. Baldwin and M. Cave (1999). *Understanding Regulation: Theory, Strategy, and Practice*, Oxford University Press, Oxford, p. 180.
- 128 OECD (2004). 'The OECD's Project on Harmful Tax Practices: The 2004 Progress Report' (Berlin Report), p. 12, para. 21 (14 August 2006) <<http://www.oecd.org/dataoecd/60/33/30901115.pdf>>

- 129 ITIO (2005). 'Levelling the Playing Field' (22 August 2006) <[http://www.itio.org/documents/melbourne\\_itio\\_oecd\\_paper\\_nov\\_05.pdf#search=%22fair%20competition%20between%20all%20countries%22](http://www.itio.org/documents/melbourne_itio_oecd_paper_nov_05.pdf#search=%22fair%20competition%20between%20all%20countries%22)>
- 130 OECD 2006 (note 1), p. 52.
- 131 Meeting of the OECD Council at the Ministerial Level (2006). (22 August 2006) <<http://www.oecd.org/dataoecd/42/9/36686180.pdf>>.
- 132 OECD, Third Meeting of the OECD Forum on Tax Administration, 14–15 September 2006, Final Seoul Declaration (13 October, 2006) <<http://www.oecd.org/dataoecd/38/29/37415572.pdf>>
- 133 OECD 2006 (note 1) pp. 7–8.
- 134 J. Rawls (2003). *Justice as Fairness: A Restatement*, Harvard University Press, Cambridge, p. 6.