



Towards a Level Playing Field: What Did We Learn?

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The World of IFCs in 2001

- negative public attitudes towards IFCs predominate
- media speaks in simple sound bites about “tax havens”
- threats from larger countries hang over IFCs, unsettling clients
- larger countries cooperate to pursue common interest; SIFC efforts are nascent
- 2011: what has changed?



“Towards a Level Playing Field” - 2001

- focussed on policymakers, bypassing the impossible task of re-educating the general public
- simple concept, premised on fairness
- collaboration between public and private sector
- empirically based, with 15 professional firms conducting the research supporting the report



OECD Reaction

- pique at our cheek
- on reflection, OECD endorsed a level playing field. Why?
 - potential for embarrassment
 - “hole in the balloon” problem
- OECD co-opted level playing field strapline to seek consistent and comprehensive implementation of standards



Lessons From a (Rare) Success in the Offshore Wars

- IFCs took a proactive approach and led the debate with empirical data
- focus on the key decision makers
- strategic rather than tactical response
- constructive criticism was stapled to a solution
- IFCs collaborated across borders and co-ordinated between private and public sector
- did some IFCs use the ceasefire which followed as an excuse for inaction, frustrating the larger countries?



The Move to Global Forum

- Global Forum reflects small IFC confidence in increasingly impartial process
- small jurisdictions should, and do, participate in and fund the process
- OECD efforts have co-ordinated an efficient and productive process
- is OECD conducting a parallel work stream outside Global Forum?

Why We like The OECD

- OECD recognises the right of self financing states to design their own tax systems
- information exchange “on request” balances the needs of the state against individual rights to privacy
- OECD recognises that competition and lowered trade barriers fuel economic growth
- protections for exchanged data?



Questions

- can we please dump the “tax haven” label?
- FATCA: why introduce a unilateral system for a single country?
- should trade and tax barriers be lowered for well-regulated IFCs?
- do unilateral efforts by individual countries to penalise small countries compliant with GF standards undermine a level playing field?
- should OECD orchestrate basic coordination between national tax systems?



For further information

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