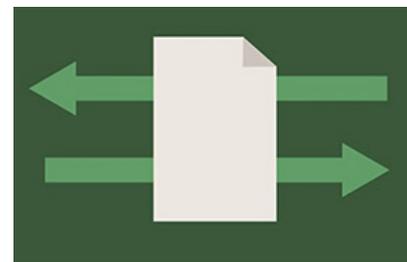


AUTOMATIC EXCHANGE OF INFORMATION



Automatic exchange of information is a data sharing process designed to expose corporations and individuals whenever they hide money in order to appear less wealthy to their governments and underpay tax.

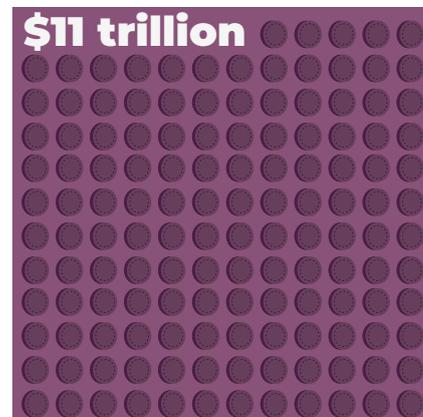
THE PROBLEM

The majority of wealth held offshore today is currently hidden from tax authorities. Wealthy individuals use banking secrecy to hide their assets from the authorities and the rule of law, shirking their responsibilities to the government and their fellow citizens.

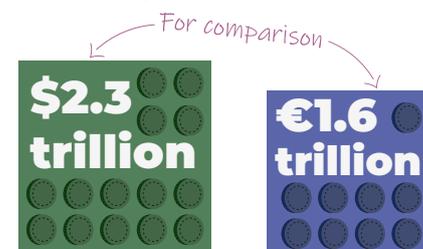
Automatic exchange of information measures adopted in recent years have stopped the situation from getting worse, but they haven't alleviated the on-going damage.

States are losing **\$145 billion** a year to offshore tax evasion related to financial wealth alone.

This is hindering the ability of states to meet their **obligation to raise the maximum available resources needed for the realisation of human rights**, as well as their ability to achieve the Sustainable Development Goals.



Is held in hidden offshore financial accounts by the superrich today



All US dollars in circulation

All euros in circulation

THE SOLUTION

Evidence shows **automatic exchange of information measures can recover billions in tax lost each year**, and support states' obligations to raise the maximum available resources needed towards human rights – but only if implemented inclusively and without loopholes. **International cooperation on a UN tax convention must:**



ENSURE ACCESS TO LOW AND MIDDLE INCOME COUNTRIES

Unnecessarily exclusionary reciprocity requirements prevent many countries from participating in automatic exchange today. A principle of differentiation can address this disparity in taxing rights and ensure all countries can access the information they need.



EXPAND ASSET COVERAGE

Tax evaders are increasingly utilising asset types not covered by existing automatic exchange of information measures to hide offshore wealth. It is vital to encompass all relevant financial and non-financial assets that could be used to hide wealth and income from tax authorities, like crypto-assets and real estate.



ENSURE ACCOUNTABILITY

Authorities should publish aggregate, bilateral data on the value of financial accounts and other assets subject to information exchange along with the equivalent values as declared by taxpayers to their home authorities, to ensure public accountability for progress.



USE A WHOLE-OF-GOVERNMENT APPROACH

Opportunities to combat money laundering and illicit financial flows are currently being missed by restrictions on the use of exchanged information. Tax authorities should be permitted to share the data they receive with financial intelligence units and other law enforcement agencies to serve broader objectives.