OECD move against tax dodging will not benefit poor cou...

Published: January 13, 2026, 5:37 pm

The following press release was issue by Chritian Aid today. I think it sound comment:

The Organisation for Economic Co-operation and Development (OECD) which is supposed to provide guidelines for good practice among its member states have missed another opportunity to show they are committed to ensuring developing countries benefit from changes in international tax practices, says Christian Aid.

Today the OECD announced comprehensive details of a new global standard on Automatic Exchange of Information, the process by which jurisdictions can share details of offshore accounts and account holders — vital for tackling tax evasion.

This could be done either through a bilateral tax agreement between countries, or via the OECD's preferred option Multilateral Compent Authority Agreement (MCAA), in which all countries signing up have to share information with all other signatories, making it much easier, in theory, to spread the reach of automatic information exchange.

Welcome as such an agreement might be, the details are rather less positive as it appears it could be open to abuse by tax havens unwilling to divulge details of those taking advantage of the secrecy they offer.

For any party to the MCAA can arbitrarily prevent any other country to which it takes a dislike from signing up. Those most likely to be barred will be poorer countries with which tax havens have been reluctant to sign bilateral tax treaties in recent years.

Joseph Stead, Christian Aid senior economic adviser, said today: "There is an estimated US$9trillion of developing country taxpayers assets held offshore, revenues from which should be a significant source of financing for development. But thanks to the decisions of the OECD many developing countries are likely to have to wait much longer to be able to enforce their own tax systems.

"While there are some things to welcome in today's announcement, it will be too easy for developing countries to be excluded. As well as the fact that admission to the multilateral process can be vetoed without reason by any country, there is no mechanism for allowing developing countries to opt out of the requirement to provide information temporarily until they have the capacity to do so.

“This would be a simple way to show the process was actively encouraging developing country participation and to enable them to benefit as quickly as possible.”

There has been no official explanation as to why developing countries have not been offered a staggered approach to automatic information exchange, but there is a suggestion that some countries are opposed, especially offshore centres.

“Since the move to automatic information exchange began we have heard rumours that some offshore centres are focusing their attentions on developing countries, knowing that they will be/can be excluded from such developments, and so provide a source of continued business profiting from tax evasion,” added Mr Stead.

“It must be made clear that this cannot happen. We need to see all financial centres commit to multilateral automatic information exchange with all countries requesting information as quickly as possible. This includes not just the likes of Switzerland which has talked of only agreeing to automatic information exchange with countries with close economic and political ties, but also places like the USA and Australia which are yet to commit to early adoption."