The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Countries to Jointly Fight Tax Evasion

By Guennadi Moukine

May 19, 2013



Finance Minister Anton Siluanov and Federal Taxation Service Head Mikhail Mishustin talking to journalists. **Guennadi Moukine**

Greater cooperation between tax authorities from 45 countries, including more extensive information sharing to help catch evaders, was the result of an international conference in Moscow that was hosted by the Federal Taxation Service and ended on Friday.

"The message to tax evaders and those who facilitate tax evasion is simple: however hard you try to hide, we will find you," said a statement distributed at the the Forum on Tax Administration, organized by the Organisation for Economic Cooperation and Development, or OECD, and supported by the Federal Tax Service and the Finance Ministry.

Irish Revenue Commissioner Josephine Feehily, the forum's chairwoman, said one of the key discussions at this forum was about information sharing between economies, which is critical in utilizing existing tax treaties to their full potential.

Sharing intelligence and financial data with each other makes it increasingly harder

for individual and corporate non-tax payers and tax evaders to exploit white spaces between countries, she said.

Representatives from the United States, United Kingdom and Australia demonstrated how the large amounts of data they had collected from banks, employers, income declarations and customs, allowed them to track down on companies and individuals who avoid paying taxes.

Members of the forum also agreed to leverage synergies between tax and customs agencies.

Russian Finance Minister Anton Siluanov said that improving tax administration and finding ways to catch those who avoid paying taxes was very important for the economy, especially during the time of an economic downturn.

G20 economies have mandated the organization to propose a mechanism for data exchange, said Pascal Saint-Amans, Director of the OECD's Center for Tax Policy. It is important that all participating countries have the same level of access to information going through this system, he added.

The forum termed this "automatic information sharing." However, "automatic exchange does not mean online," said Feehily, "it means spontaneous." Unlike the current system where information exchange is initiated by the requesting country, under the new proposal, collected data will be sent to the other country automatically, without waiting for a request.

Mikhail Mishustin, head of the Federal Taxation Service, said companies who complied with the law in Russia or overseas need not to worry. "We are talking about problems where we see companies shifting [capital] from the Russian Federation, choosing a low tax jurisdiction to minimize [tax] payments."

Mishustin said measures adopted in Russia by the Inter-Regional Inspection for Transfer Pricing were being checked for compatibility with the norms of the OECD in order to maximize their effectiveness.

OECD was founded in 1961 to stimulate economic progress and world trade. Russia is currently seeking to meet the conditions required for becoming a member of the organization. The OECD opened accession negotiations with Russia in 2007.

Contact the author at g.moukine@imedia.ru

Original url:
https://www.themoscowtimes.com/2013/05/19/countries-to-jointly-fight-tax-evasion-a24118