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**Statement to the Legislative Assembly
Global Forum on Transparency and Exchange of Information for Tax Purposes Report
Minister of Financial Services, the Hon. Tara Rivers**

Thursday, 24 August 2017 | Cayman Islands Legislative Assembly

Mister Speaker:

On Monday, 22 August, a high-profile global report was issued that rated the Cayman Islands' compliance with the international standard for tax information exchange by request.

As my learned colleagues in this Honourable House know, the matter of tax information exchange is incredibly important to our country's profile as a well-regulated, reputable international financial centre that attracts sound business. This profile has earned us the respect of other jurisdictions that use tax information in their tax audits and investigations.

It therefore gives me great pleasure to say that the Cayman Islands maintained our largely compliant rating from the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes, in its 2017 Exchange of Information on Request Peer Review Report.

Mister Speaker, this is the same rating that Cayman received in 2013 from the Global Forum, but it is inaccurate to compare the two results and to conclude that the Cayman Islands has not improved its regime. Quite the contrary.

The 2013 report was based on the Global Forum's 2010 terms of reference. The 2017 report, however, is based on terms of reference that were issued in 2016. The 2016 terms respond to the tremendous change that continues to occur in global financial services and as such, it presents a much more rigorous standard to meet.

Therefore, the legislation and regulation for tax information exchange that this Honourable House has approved in the past few years, and which has been put into action by the Tax Information Authority and our industry, is serving us well. Just to note, Australia, Bermuda, Canada, Germany and Qatar also received largely compliant ratings, while Ireland, Mauritius and Norway were rated as compliant. Jamaica received a partially compliant rating.

I also note that the Global Forum's practice is to issue recommendations to assessed countries – regardless of their ratings – in order to further support compliance with the international standard. Cayman received three recommendations in its report, and my Ministry has already told our industry stakeholders that we will consult with them, in order to address these recommendations prior to a 30 June 2018 follow-up report with the Global Forum.

Mister Speaker, in his remarks to the House just yesterday, the Hon. Premier spoke of the need to engage locally, for the betterment of democratic processes. This is a principle that all of us can support, not just locally as with the Ministry's consultation with industry stakeholders, but also internationally. Indeed, the Global Forum result provides a tangible, measurable outcome of the value of persistent international engagement.

Since the Global Forum was restructured in 2009, our Government has been a very active, very visible participant in its development and direction.

Primarily through the Tax Information Authority, Cayman has been represented at practically every official Global Forum meeting. We have held innumerable conversations, and exchanged countless emails. We also have helped to train officials in the Global Forum member countries, which now number 144 jurisdictions. Because of this consistent engagement, we have ensured Cayman's input into the global exchange of information process. Just as important, we have ensured that our own policy, legislation, and operational actions are on sound footing.

As an indication of the regard that Cayman's engagement has earned, the Global Forum has appointed Cayman to several official posts. Since the Global Forum's restructuring in 2009, which broadened its scope of work and influence, Cayman has been one of the 18 members of its steering group. This group determines the Global Forum's agenda and direction.

Currently, we are one of four vice-chairs of the 30-member Peer Review Group, which sets the methodology and detailed terms of reference for the review process, and carries out the actual peer reviews. We also are a member of the Automatic Exchange of Information (AEOI) Group, and part of the AEOI Group delegation to the OECD Working Party 10 on Exchange of Information and Tax Compliance.

Mister Speaker, the Cayman Islands' engagement in the global development of tax information exchange has been indisputably beneficial for our financial services industry; our jurisdictional reputation as an international financial centre; and the development of the international standard for tax information exchange. I commend the Ministry and Tax Information Authority staff for their commitment to the Cayman Islands, and I again state how pleased I am that the Cayman Islands has maintained its strong Global Forum rating.

Thank you, Mister Speaker.

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