



CAYMAN ISLANDS
GOVERNMENT

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Cayman Islands Government Addresses Participants of OECD Global Forum on Taxation

Melbourne, Australia – The Honourable Alden McLaughlin, Minister with Special Responsibility for International Initiatives Affecting the Financial Services Sector, made the following statement Wednesday at the OECD Global Forum on Taxation.

The Cayman Islands would like to join with other participating partners in thanking the Government of Australia for hosting this meeting of the Global Forum. Having hosted the meeting of this body in 2002, the Cayman Islands is well placed to understand the great deal of effort which has gone into making this meeting a success. We would also like to welcome those countries which are attending this forum for the first time, and welcome too the commitments made here by a number in that group to transparency and effective exchange of information.

This meeting, and the report which we have considered¹, mark yet another milestone in the progression towards our shared objective – a level playing field for competition in the financial services sector. Neither discrimination nor non-tariff barriers to trade are acceptable. The Cayman Islands recognises the necessity of implementing a level playing field in a way that is fair, equitable and permits fair competition between all countries, large and small, OECD and non-OECD. We continue to support the concept affirmed at the Berlin Forum that building towards a level playing field requires countries to take steps individually, in their bilateral relations and collectively.

We commend the valuable work of all those involved in the efforts of the sub-group, which has worked diligently since the Berlin Global Forum on identifying the legal frameworks for the exchange of tax information which are in place in OECD and non-OECD participating partners, as well as a number of other countries which have significant presence in the global financial services sector. Their efforts have made an important contribution



to the understanding of each country's approach to these standards. The completion of the template review process over the coming months, which is an output under the 'collective aspects' set approved by the Berlin Global Forum, will add further insight.

The Cayman Islands supports the position put forward by the International Trade and Investment Organisation² which stresses the need for fair competition between all countries. Equity and long-term self-interest require that countries receiving tax information do not use that information in a manner which in effect produces, reinforces or enhances discrimination against either a tax information provider country, or its nationals, residents or enterprises. Similarly, equity and long-term self-interest require that countries not implement exchange of tax information when doing so would permit discrimination against their national interests or against their nationals, residents or enterprises.

We support the ongoing work of the sub-committee and those countries which in their own capacities and in their bilateral relationships are working towards the creation of a level playing field. For our part we will advance the level playing field on every available occasion, and will accept nothing less.

Thank you.

References

1. A news release and summary report from the Global Forum on Taxation are available from the OECD's web site at www.oecd.org, or via the following direct link to the OECD site – http://www.oecd.org/document/4/0,2340,en_2649_201185_35670084_1_1_1_1,00.html
2. Formed in 2001, The ITIO works for a level playing field, particularly in the development and implementation of new regulatory standards. This includes, but extends beyond, taxation issues and entails dealing with a wide range of international bodies. The ITIO is unique among groupings of small and developing economies, being funded entirely by members, which gives it total independence. It seeks to take account of members' varying needs and stages of development and to produce results that are of benefit to all. The Cayman Islands is currently Chair. The ITIO is comprised of representatives from Anguilla, Bahamas, Barbados, Belize, British Virgin Islands, Cayman Islands, Cook Islands, Isle of Man, Labuan (Malaysia), Panama, St Kitts & Nevis, Samoa, St Lucia, St Vincent & the Grenadines, Turks & Caicos and Vanuatu. The Commonwealth Secretariat, CARICOM, Pacific Islands Forum, Caribbean Development Bank and Eastern Caribbean Central Bank have Observer status. For additional information please visit www.itio.org