

**Inter-American Center of Tax Administrations - CIAT**

**47<sup>th</sup> CIAT GENERAL ASSEMBLY**



**47° ASAMBLEA GENERAL**

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**“INTERNATIONAL TAXATION ASPECTS THAT AFFECT MANAGEMENT  
OF THE TAX ADMINISTRATIONS”**

**Subtopic 3.2**

**“EXAMINATIONS AND COLLECTION ABROAD”**

**Swedish Tax Agency**

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## Background

The Nordic Approach is an action by seven Nordic tax authorities in Denmark, Faroe Islands, Greenland, Finland, Iceland, Norway and Sweden. The Nordic authorities have a long tradition of working together in different matters.

### 1989 Multilateral convention

One of the areas of co-operation for the Nordic countries is to combat international tax evasion. In 1989 the countries developed and adopted a multilateral agreement for the exchange of information (Nordic Mutual Assistance Convention on Mutual Administrative Assistance in Tax Matters). This convention covers all taxes as well as social contributions.

### 2006 Beginning of joint negotiations of TIEAs

With the aim of following up the OECD's work combating international tax evasion the Nordic authorities decided in June 2006 to begin negotiations with offshore jurisdictions.

In order to strengthen the Nordic negotiating position and to keep costs for this negotiation work down, the countries coordinated their negotiation work under the direction of the Nordic Council of Ministers.

A steering group was set up consisting of representatives from all of the Nordic authorities in order to coordinate the negotiation efforts.

The day-to-day work is managed by a project manager and chief negotiator. The project will last until September 2013, and there are talks about a possible prolongation.

### 2012 Nordic Working Group on international tax evasion

In 2012 the Nordic Director-Generals set up a Nordic Working Group on Tax Evasion to take yet a step further in sharing experiences and in that way more effectively identify tax evasion and tax avoidance. By working together with foreign tax authorities, e.g. new Tax Information Exchange Agreement (TIEA)-partners Competent Authority Agreements(CAA) could be agreed upon and make things run smoother.

The mandate for the group includes;

- ongoing sharing experiences and monitoring International Tax Evasion
- ongoing monitoring of the renegotiating of TIEA and Exchange of information agreements of international standard
- follow-up the TIEAs and promote the use of the TIEAs and double taxation agreements (DTA)
- spread the knowledge about the TIEAs

- joint Nordic Models, e.g. CAA and templates, dialogue and cooperation with foreign countries
- arrange seminars on “best practice” and share experience inviting cooperation partners from other authorities and TIEA-countries
- work for a common Nordic position in international arenas
- set up a database for TIEAs that all co-workers in the Nordic authorities can use

Internally seminars have also been organized for investigators from the Nordic countries. About 60 investigators from the Nordic countries meet during two days to share best practice and experience through case presentations and break out sessions. This has been a concept for success and very valuable and very appreciated by the participants.

The group also works as a platform for joint responses to TIEA partners when an interpretation is needed regarding the text of the TIEA. Seminars have also been held with participants from the Nordic countries where TIEA partners have been invited.

In general the TIEA partners are committed to fulfilling their obligation according to the agreements and assist the requesting country as much as they can.

## **Results**

The Working Group has been successful.

So far have 40 TIEAs been signed. During the period of August 2010 to August 2012, the Nordic tax authorities have in total submitted more than 300 requests for information to jurisdictions worldwide that have either concluded TIEAs or renegotiated the exchange of the information article in existing DTAs. In 2012 the investigation of transactions resulted in 9,3 million US dollars in increased taxes.

In Sweden and Norway there have been information activities to encourage voluntary disclosures. It is vital to have updated information on the web site and to arrange meetings with advisers and tax consultants.

Statistics that is monitored shown an increasing net inflow of capital from certain jurisdictions. These jurisdictions have in common that they have recently concluded the exchange of information arrangements with the Nordic countries. In Sweden the data is processed from the data from the cross border payments. The net capital inflow for 2011 was approximately 1, 2 billion Euros more than the year before.

## Considerations

Another important internal issue is to have an organisation that supports all necessary steps. What is needed is

- Internal ability to identify potential off shore non compliance cases.
- Internal ability to investigate these cases.
- Internal ambition to actually investigate these cases.
- Relevant treaties in place.
- Internal ambition to really use the treaties.
- Practical “user climate” established with the other country.
- Internal organisation that supports all the necessary steps.