

**COUNTRY:** Republic of Greece

**FORUM:** Economic and Financial Affairs Council Configuration (ECOFIN)

**QUESTION OF:** International Cooperation in Combating Tax Evasion

Fighting international tax evasion hinges on the exchange of information, recognizing that when foreign entities report financial data to home tax authorities, taxpayers have limited means to evade detection. Without international information sharing, traditional tax audit methods struggle to uncover international tax evasion. The international community has developed various initiatives to promote transparency and information exchange, as depicted in Figure 3. Three key milestones stand out in the battle against international tax evasion: the introduction and implementation of the European Union Savings Directive (EUSD) in 2004/2005, the global crackdown on tax evasion following the April 2009 London G20 Summit, which initiated the widespread adoption of the Exchange of Information on Request (EOIR) Standard, and the enactment of the Foreign Account Tax Compliance Act (FATCA) by the US Congress. Another significant development occurred in 2014 with the adoption of the Common Reporting Standard (CRS) by the OECD Council and the enhanced EU Directive on Administrative Cooperation. The Global Forum, with 168 members, is the leading international body implementing global transparency and exchange of information standards for tax purposes. It plays a vital role in promoting fair and effective tax systems worldwide, fostering cooperation, and combating tax evasion.

The OECD/G20 BEPS Project was established in response to the global financial crisis and increasing concerns about tax evasion and avoidance. In 2015, a comprehensive package of 15 actions and solutions was created by OECD and G20 countries, along with other stakeholders, to address BEPS. Over time, the project has expanded, and currently, more than 135 jurisdictions are actively participating in the Inclusive Framework on BEPS. In addition to implementing BEPS minimum standards, the framework focuses on addressing the tax challenges posed by digitalization, ensuring that all businesses, not just those in the digital sector, contribute their fair share of taxes based on their activities and profits. Despite the slowdown caused by the COVID-19 pandemic, the Inclusive Framework members have developed detailed blueprints for a two-pillar approach, laying a strong foundation for successfully concluding the process by mid-2021.

1. Considering tax crimes as illegal activities.
2. Designing an effective strategy for detecting tax crimes.
3. Ensuring that the administration has sufficient power to investigate and detect tax crimes.
4. Equipping the administration with effective authorities to seize assets.
5. Establishing an organizational structure with defined responsibilities.
6. Allocating sufficient resources for investigations related to tax crimes.
7. Making tax crimes a predicate offense for money laundering.
8. Having an effective framework for domestic interagency cooperation.
9. Establishing mechanisms for international cooperation.

## 10. Protecting the rights of suspects.

On February 22, 2012, Greece signed the Convention on Mutual Administrative Assistance in Tax Matters, a multilateral agreement jointly developed by the Council of Europe and the OECD. This agreement, open to all countries, promotes international cooperation in tax assessment and collection. The Convention serves as a practical tool for tax authorities as they transition from bilateral to multilateral cooperation and enhance collaboration beyond simple information exchange. For Greece, signing the Convention aligns with its efforts to strengthen its economy and combat tax avoidance and evasion, supporting the country's long-term financial sustainability. By improving its tax collection system and addressing lost revenues, Greece aims to ensure that individuals and multinational enterprises pay the appropriate amount of taxes at the correct time and place. As of now, signatories to the Convention include Argentina, Australia, Belgium, Brazil, Canada, Denmark, Finland, France, Georgia, Germany, Greece, Iceland, India, Indonesia, Ireland, Italy, Japan, Korea, Mexico, Moldova, Netherlands, Norway, Poland, Portugal, the Russian Federation, Slovenia, South Africa, Spain, Sweden, Turkey, Ukraine, the United Kingdom, and the United States.

Greece is proposing a new solution to this issue: If every citizen of any country belonging to the United Nations regularly pays their taxes every 5 months, irrespective of their location, they will receive a one-month tax reduction. We believe this implementation will help to improve countries economies.

### References:

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