



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

SOUTH AFRICA ONE OF 18 COUNTRIES THAT COMPLY WITH GLOBAL STANDARDS FOR EXCHANGE OF TAX INFORMATION

South Africa is one of the 18 countries that comply with global standards on the transparency and exchange upon request of information on individual and corporate taxpayers, according to the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum).

The Forum, which is chaired by Kosie Louw (the Chief Officer Legal of the South African Revenue Service), made the announcement after its sixth meeting held in Jakarta, Indonesia, from 21-22 November 2013. Mr Louw was elected chair for a two-year period at the forum's meeting held in Cape Town in October 2012.

Exchange of tax information on request refers to a situation where one tax authority seeks from its counterpart information about the financial and tax affairs of a taxpayer. Such information includes the owners or beneficiaries of legal entities and arrangements (companies, trusts, etc) as well as financial accounts (profit and loss, assets and liabilities) of those entities.

Full compliance with the standards of transparency and exchange of tax-related information means that a country has the relevant information, that such information is accessible, and that the information can be exchanged.

“South Africa's ranking as one of the 18 countries that comply with the implementation of internationally agreed standards of transparency and exchange of information on individual and corporate taxpayers is further testimony to the excellence of some of the institutions of our democracy,” the Minister of Finance Pravin Gordhan said.

“The exchange of information will contribute to the reduction of opportunities for tax evasion and therefore contribute to the creation of an international tax system that is more effective, efficient and fair,” Minister Gordhan said.

The ranking was the culmination of three years' worth of reviews of 50 countries that had completed phase 1 and 2 of reviews. Phase 1 involves the review of a country's legal and regulatory framework for transparency and the exchange of tax information.

Phase 2 surveys the implementation of the standards. An on-site visit by an assessment team forms part of the review. Both phases involve peer reviews of a country's compliance by members of the Global Forum, including answering a detailed questionnaire about their experience of dealing with the country which is being reviewed.

South Africa also agreed with the United Kingdom in October this year to join a pilot scheme for the automatic exchange of tax information which was launched by the UK, France, Germany, Italy and Spain.

Of the 50 countries that were rated, the 18 compliant ones are Australia, Belgium, Canada, China, Denmark, Finland, France, Iceland, India, Ireland, Isle of Man, Japan, Korea, New Zealand, Norway, South Africa, Spain and Sweden.

The 26 largely compliant countries: Argentina, the Bahamas, Bahrain, Bermuda, Brazil, Cayman Islands, Estonia, Germany, Greece, Guernsey, Hong Kong, Italy, Jamaica, Jersey, Macao, Malta, Mauritius, Monaco, the Netherlands, Philippines, Qatar, San Marino, Singapore, Turks and Caicos, United Kingdom, United States. Partially compliant: Austria and Turkey.

Non-Compliant: British Virgin Islands, Cyprus, Luxembourg and the Seychelles. For more information on the Global Forum and its work, please visit the website: <http://www.oecd.org/tax/transparency/>

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Issued: Ministry of Finance

Date: 27 November 2013