



# AWARENESS NEEDED

Government officials call for aggressive lobbying and campaign of awareness in response to OECD's grey-listing of St. Kitts and Nevis

by M. Irvin BonCamper, Esq.

The Federation of St. Kitts and Nevis was "grey-listed" earlier this year by the Paris-based OECD for its failure to implement agreements to assist OECD countries with the enforcement of their tax laws.

The Federation's Director of Financial Services Fidella Clarke and Minister of Finance Timothy Harris have condemned the grey-listing calling it unjust. Harris told the press that such decisions by the OECD have continually been made with little or no input from the region.

**Background.** The OECD has been working for more than a decade to pressure financial centres into signing tax and information exchange agreements.

To facilitate its objectives, the OECD developed what it refers to as an "internationally-agreed" tax standard, which was actually drafted without agreement from financial centres, such as the Federation. The OECD's standard requires exchange of information on request in all tax matters.

Following the April 2009 G20 Summit in London, the OECD Secretariat published a new report on the progress made by financial centres around the world towards implementation of the OECD's standard.

**The OECD Report.** The OECD's report consists of four parts:

- 40 jurisdictions that have substantially implemented the tax standard.

- 30 jurisdictions, which the OECD has characterized as "tax havens", that have committed to the standard, but have not yet substantially implemented it.
- 8 jurisdictions other financial centres that have committed to the standard, but have not yet substantially implemented it.
- 4 jurisdictions—Costa Rica, Labuan, Philippines, Uruguay—that have not committed to implement the OECD's tax standard.

The Federation is named in part two, while only two Caribbean islands—Barbados and the US Virgin Islands—are named in part one.

**Official response.** Harris says the Government is displeased with the listing but not surprised. Because the Federation is a small developing nation, "we have never been part of the real decision-making," he says.

The region will not surrender to the OECD without a fight, however. Harris says the strategy forward will include aggressive lobbying efforts at regional and international meetings—such as those of the Caribbean Financial Action Task Force and the Summit of the Americas—to stress the economic injustice of such decisions and the damage that such actions cause to the economies of small, developing nations. ■

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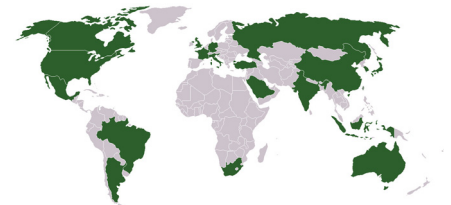
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## WHAT IS THE G-20?



Darkened areas above represent the G-20 member countries

Formed in 1999, the G-20—more formally, the Group of Twenty Finance Ministers and Central Bank Governors—is a group of 19 of the world's largest national economies, plus the European Union. Collectively, the G-20 economies comprise:

- 85% of global gross national product
- 80% of world trade
- 66% of the world population

## FACTS ABOUT THE OECD

- Established as the OEEC in 1948
- Renamed the OECD in 1961
- Consists of 20 founding countries and 10 participating countries
- Most OECD members have high-income economies with high living standards.



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