

TAX HAVENS: An Analysis of the OECD Work with Policy Recommendations.

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ABSTRACT

This paper focuses on the OECD work on tax havens. It introduces the OECD arguments and its criteria for the identification of tax havens and provides an evaluation of whether arguments, criteria are consistent. It argues if lack of transparency more than low tax rates is what makes the issue critical to OECD countries. It evaluates three policy alternatives that OECD member countries could adopt to avoid tax havens' unwillingness to exchange information: unilateral defensive measures, bilateral and multilateral approaches. In conclusion, it recommends a multilateral solution to a sustainable long-run cooperation.