



Australian Government  
Australian Taxation Office

# OECD INTERNATIONAL ACADEMY FOR TAX CRIME INVESTIGATION VAT/GST FRAUD INVESTIGATIONS PROGRAMME

INTERAGENCY AND INTERNATIONAL CO-OPERATION

JES DETTERER  
AUSTRALIAN TAXATION OFFICE

## OECD 'Combating Tax Crimes More Effectively in APEC Economies' (2019):

*[A]n agency-by-agency approach is not sufficient. Financial crimes will often cross multiple agencies mandates, and governments must therefore adopt integrated models for co-operation.*

*Tax authorities, customs, police, prosecutors, anti-money laundering authorities and regulators are all key allies in the fight against corruption and other financial crimes and each authority must ensure that their individual priorities align with a broader common goal towards combating financial crime through collective efforts'.*

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### OECD 'Fighting Tax Crime – The Ten Global Principles'

Principle 1: Ensure tax offences are criminalised

Principle 2: Devise an effective strategy for addressing tax crimes

Principle 3: Have adequate investigate powers

Principle 4: Have effective powers to freeze, seize and confiscate assets

Principle 5: Put in place an organisational structure with defined responsibilities

Principle 6: Provide adequate responses for tax crime investigation

Principle 7: Make tax crimes a predicate offence for money laundering

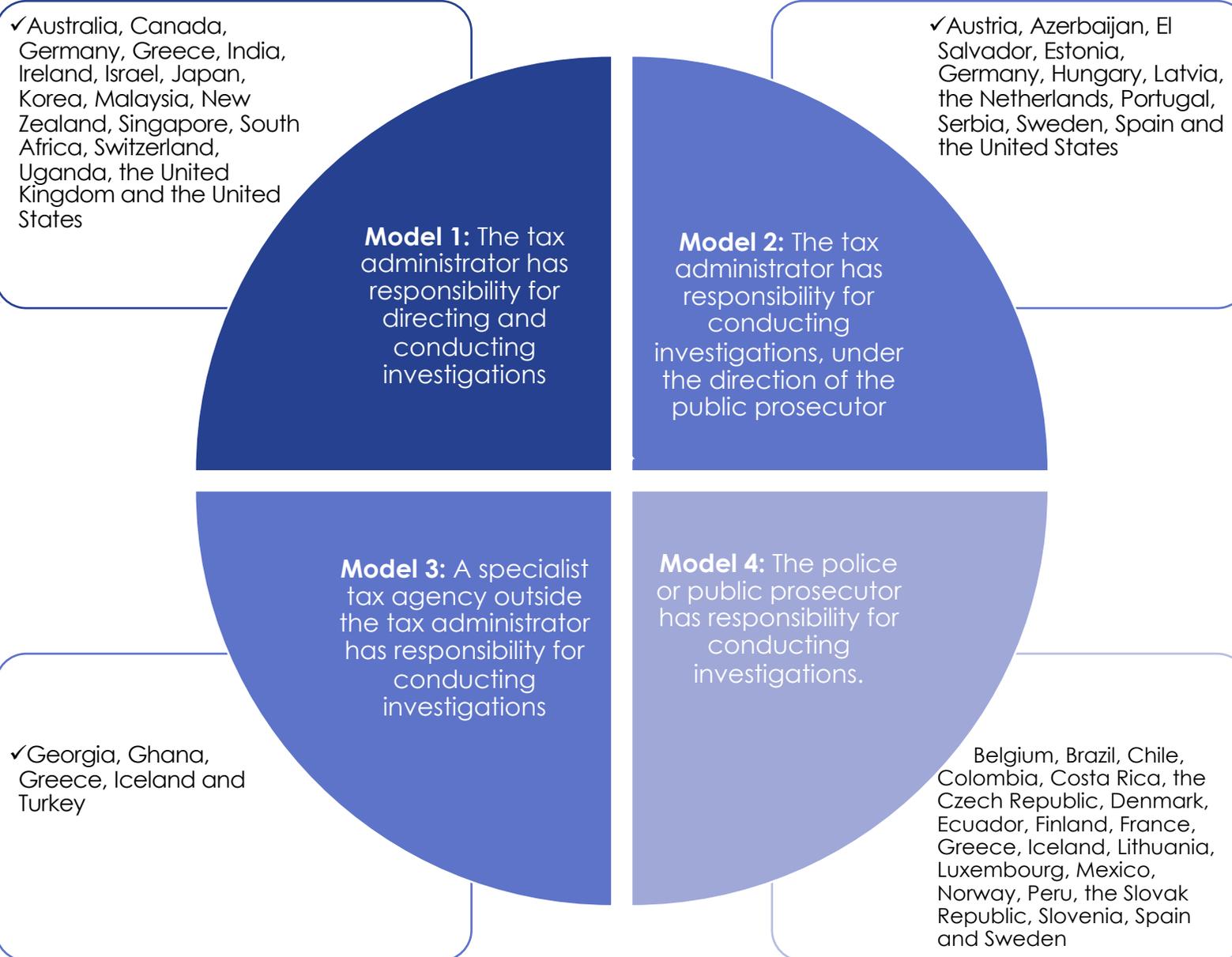
**Principle 8: Have an effective framework for domestic inter-agency co-operation**

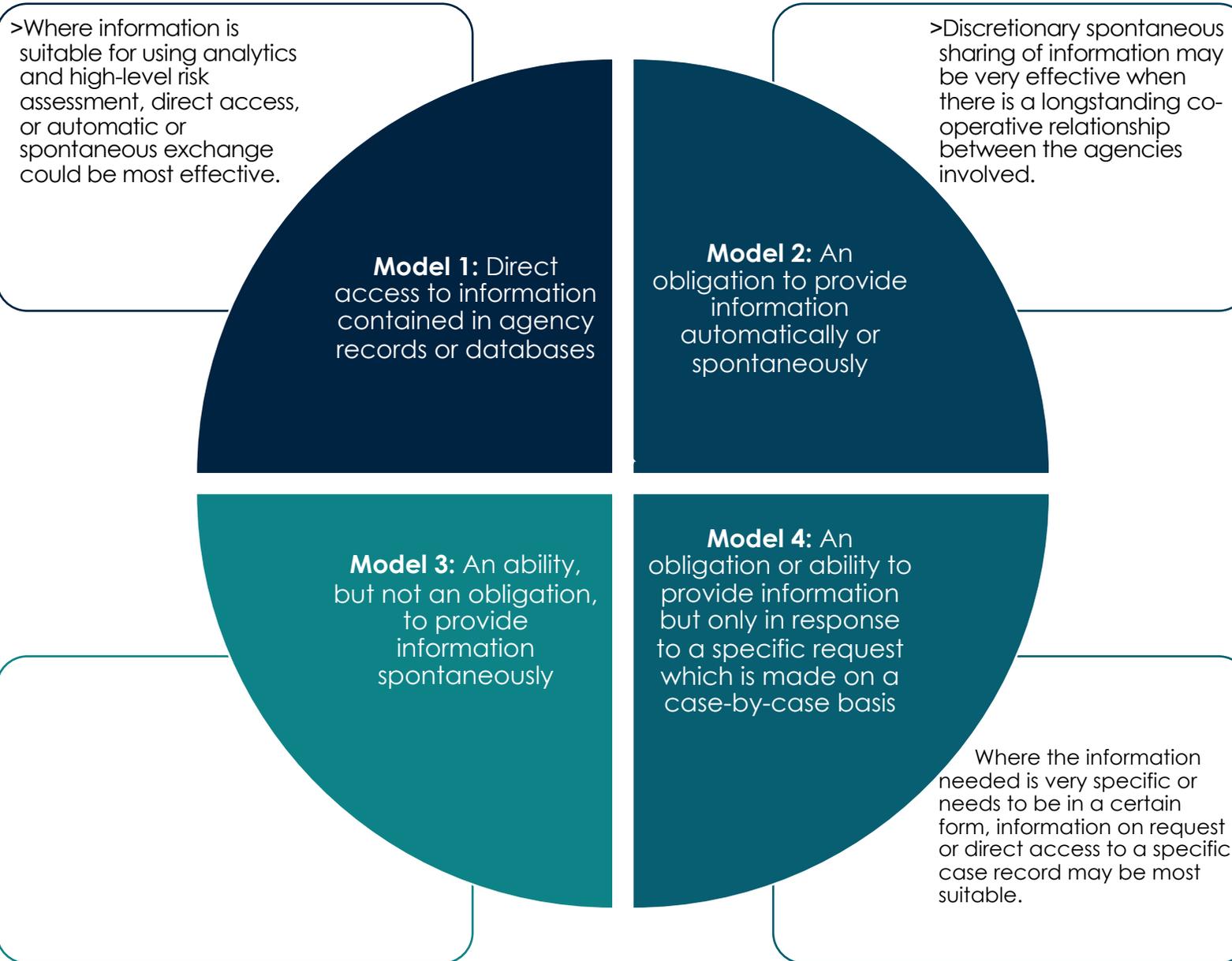
Principle 9: Ensure international co-operation mechanisms are available

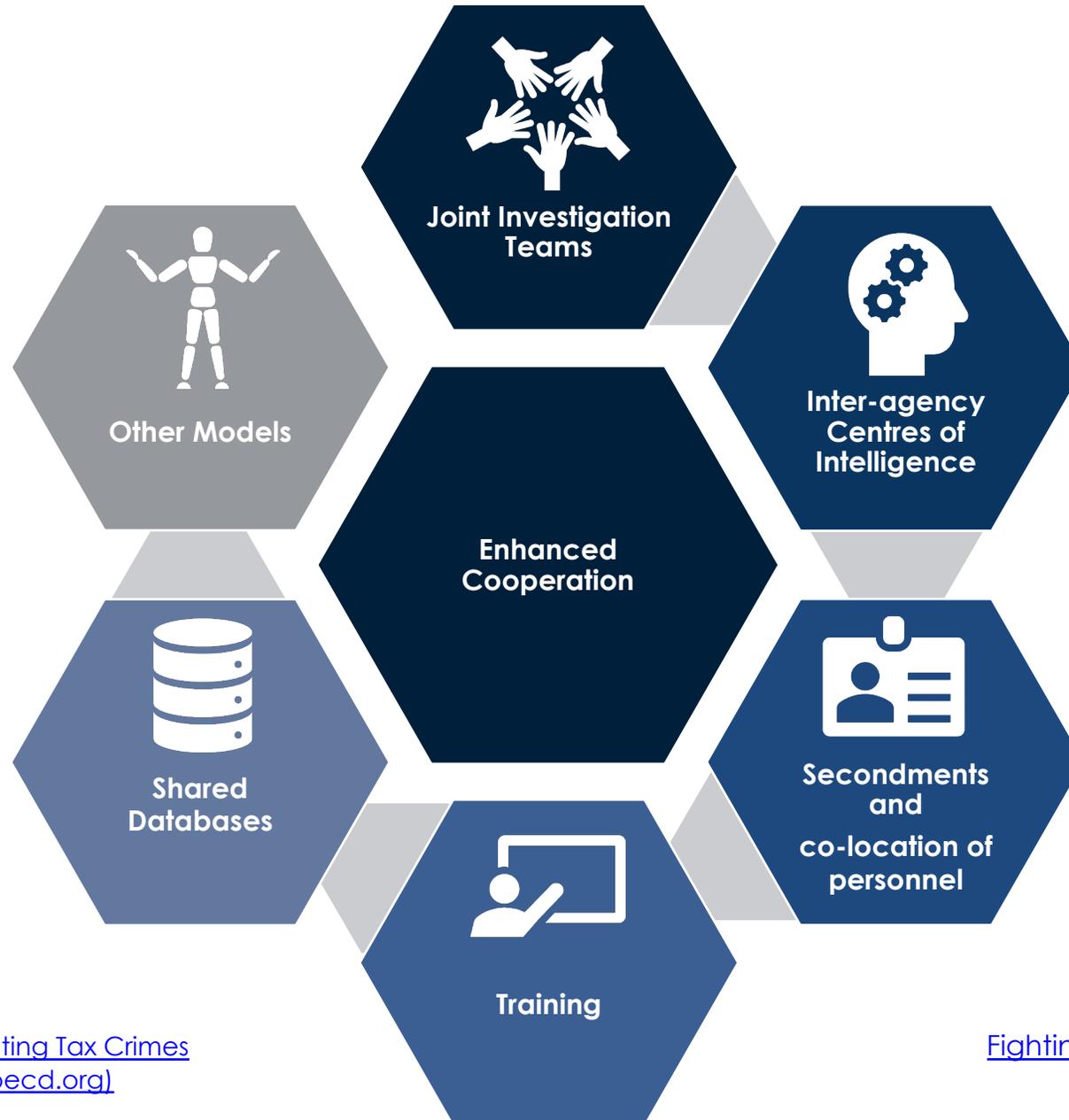
Principle 10: Protect suspects rights

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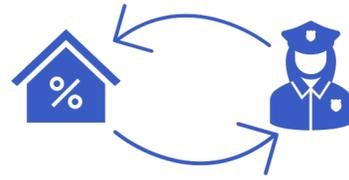








Sharing information with the tax administration for the purpose of assessing taxes



Co-operation between the tax administrator and the police



National and Regional Intelligence Centres



Tax administration access to Suspicious Transaction Reports



The use of multi-agency task forces to combat financial crimes



A co-ordinated approach to monitoring the proceeds of crime



A co-ordinated strategy for dealing with Suspicious Transaction Reports



A centralised structure for inter-agency co-operation



Co-operation with the private sector in the fight against crime

The OECD's work on enhancing inter-agency co-operation proposes steps that economies could take to improve their ability to combat tax crimes and other financial crimes:

- > develop robust and clearly defined **institutional frameworks for co-operation**
- > establish a **solid legal basis for reporting and information sharing** between tax authorities and anti-corruption authorities
- > adopt a cross-agency approach to **policy development**
- > institute **streamlined and efficient procedures and training** for making and receiving reports and seeking and providing information related to suspicions of tax crime and corruption
- > make available a range of **enhanced co-operation mechanisms**, such as joint operations and taskforces, parallel investigations, staff secondments, co-ordination fora, and joint intelligence centres
- > take measures to **develop a culture of co-operation**.



[Combatting Tax Crimes More Effectively in APEC Economies \(oecd.org\)](https://www.oecd.org)

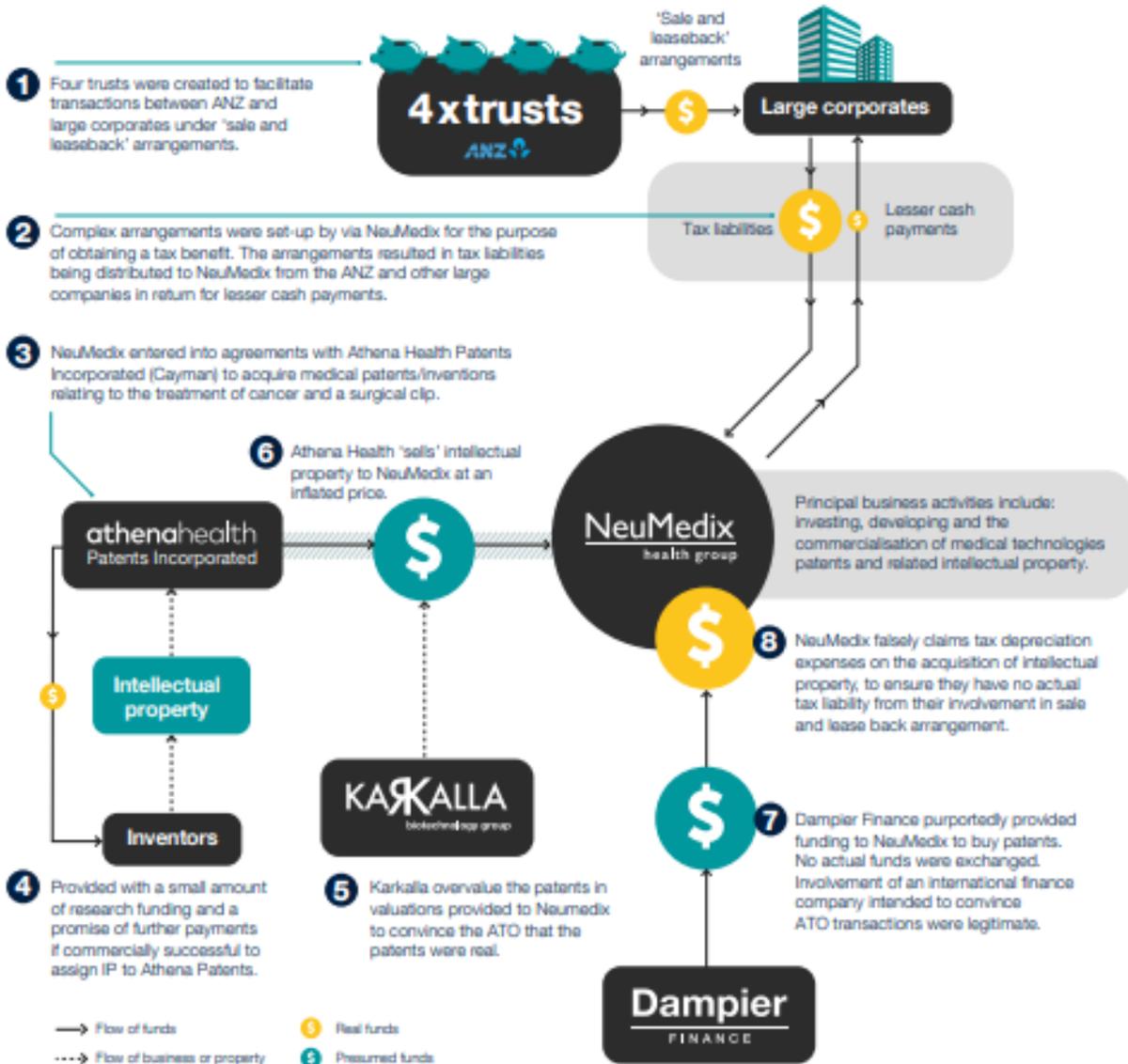
The **Serious Financial Crime Taskforce** is a joint-agency taskforce led by the **Australian Taxation Office** and made up of experts from a range of federal law enforcement and regulatory agencies.

As at **31 December 2021**, the Taskforce has progressed cases that have resulted in:

- > completion of **1,524** audits and reviews
- > conviction and sentencing of **15** people
- > raised liabilities of **\$1.460** billion
- > collected **\$556** million.



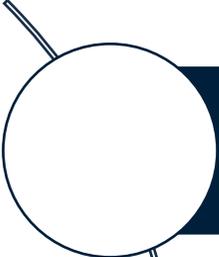
## How it was set up



## Where the funds moved



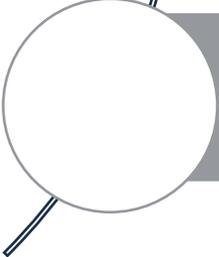
Imagine you are investigating the carousel fraud you designed. Imagine you are now working together with the other agencies involved to find out more about the arrangement:



How easy is it to share and request information among the group?



In what ways can you collaborate with each other?



Are there any limits to working together?



## OECD 'Combating Tax Crimes More Effectively in APEC Economies' (2019):

*Tax crimes, corruption, terrorist financing, money laundering and other financial crimes threaten the strategic, political, and economic interests of all countries. The sums lost to illicit financial flows, including those that derive from these crimes are vast.*

*These crimes are all closely related and thrive in a climate of secrecy [...] and weak inter-agency co-operation. By exploiting these weaknesses and advances in technology, criminals can covertly move substantial sums between multiple jurisdictions with relative ease and great speed. Consequently, criminal activity and the illicit financial flows that follow are becoming ever more sophisticated.*

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**Principle 8: Have an effective framework for domestic inter-agency co-operation**

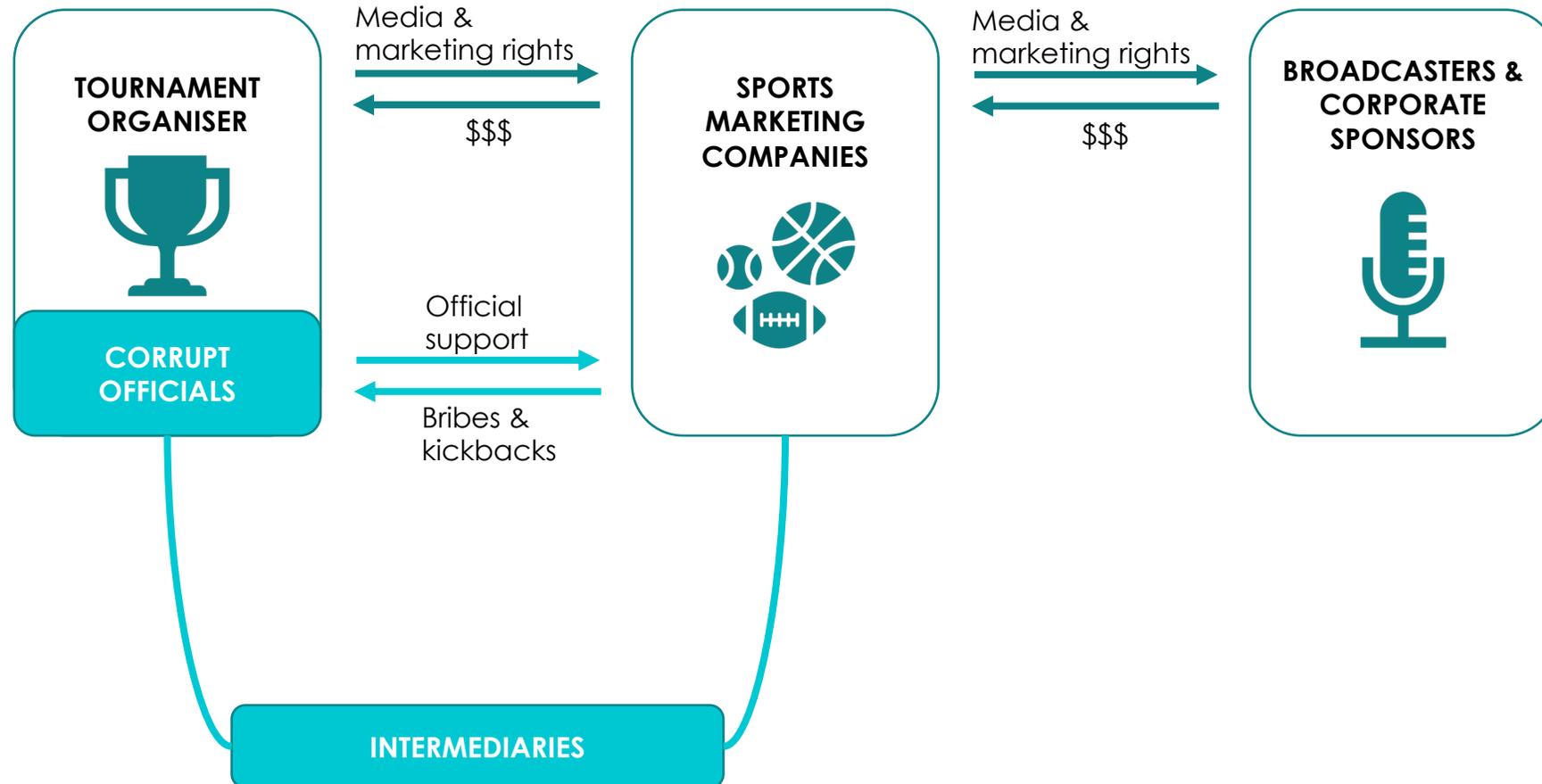
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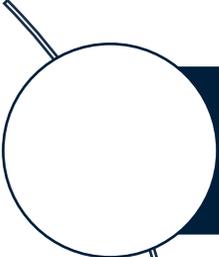
- > The Federation Internationale de Football Association (FIFA) corruption investigation is an example of a successful inter-agency co-operation not only between tax and anti-corruption authorities but also with foreign law enforcement counterparts which provided valuable assistance.
- > The scheme involved bribery, money laundering conspiracies, wire fraud and other illicit activities among high-ranking FIFA officials and corporate executives.



Source: US Department of Justice



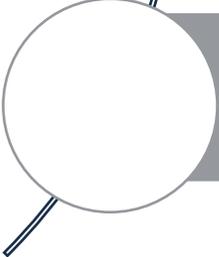
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### Tax Treaties

Tax treaties are formal bilateral agreements between two jurisdictions. Australia has tax treaties with more than 40 jurisdictions.

A tax treaty is also referred to as a tax convention or double tax agreement (DTA). They prevent double taxation and fiscal evasion, and foster cooperation between Australia and other international tax authorities by enforcing their respective tax laws.



### Taxation Information Exchange Agreements

The TIEA outlines the obligation between Australia and a non-OECD participating partner to help each other by exchanging correct tax information relevant to the administration and enforcement of their respective domestic tax laws (civil and criminal).

Information may only be provided on request.



### Multilateral Convention

The convention is a freestanding agreement designed to promote international cooperation. It provides for:

- > the exchange of information
- > the service of documents
- > other forms of co-operation including joint audits
- > assistance in collection of outstanding tax liabilities

[Convention on Mutual Administrative Assistance in Tax Matters - OECD](#)



### Mutual Legal Assistance Treaties (MLATs)

MLATs are an important tool in obtaining evidence for the investigation and prosecution of transnational crime, particularly drug trafficking, fraud, money laundering, child pornography and other child exploitation offences and terrorism offences.

This is the process used to obtain government to government assistance in criminal investigations and prosecutions.

## THE FOLLOWING WAS EXTRACTED FROM THE AGREEMENT WITH THE CAYMAN ISLANDS:

### ARTICLE 1 - OBJECT AND SCOPE OF THIS AGREEMENT

The competent authorities of the Contracting Parties shall provide assistance through exchange of information that is foreseeably relevant to the administration and enforcement of the domestic laws of those Parties concerning taxes covered by this Agreement. Such information shall include information that is foreseeably relevant to the determination, assessment and collection of such taxes, the recovery and enforcement of tax claims, or the investigation or prosecution of tax matters.

### ARTICLE 5 - EXCHANGE OF INFORMATION UPON REQUEST

1 The competent authority of the Requested Party shall provide upon request information for the purposes referred to in Article 1. Such information shall be provided without regard to whether the conduct being investigated would constitute a crime under the laws of the Requested Party if such conduct occurred in the Requested Party.

2 If the information in the possession of the competent authority of the Requested Party is not sufficient to enable it to comply with the request for information, that Party shall use all relevant information gathering measures to provide the Applicant Party with the information requested, notwithstanding that the Requested Party may not need such information for its own tax purposes.





**Chris Jordan AO**  
Commissioner, Australian Taxation Office  
Vice Chair, Forum on Tax Administration

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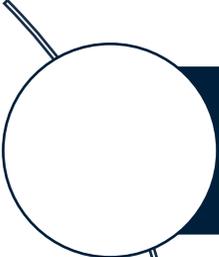
*As FTA Vice Chair with sponsorship of the JITSIC, I am committed to ensuring the expanded network continues to build on the significant achievements of the past year.*

*The new network is a growing assembly of FTA members with a global mind-set for tackling tax evasion and aggressive tax avoidance. It is an avenue for sharing, learning and taking co-ordinated cross-border compliance action. The best outcomes for our countries and the international tax system will be achieved by working together.*

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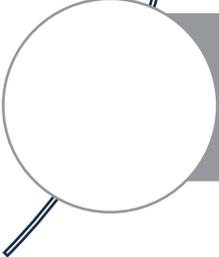
Imagine you are investigating the carousel fraud you designed. Imagine you are now working together with the other jurisdictions involved to treat the arrangement:



How could a concurrent investigation be carried out?



What are the barriers and risks?



Could a joint investigation be conducted?



