

News story: Tax chiefs unite to tackle international tax crime

The UK has joined forces with Canada, the Netherlands, the United States and Australia to launch the Joint Chiefs of Global Tax Enforcement (J5) – a new alliance dedicated to tackling international tax crime and money laundering.

The group will build on existing international cooperation by sharing intelligence and expertise, and will work together on joint operations to crack down on those who make a living out of enabling tax crime.

At their first meeting, the J5 brought together leading experts in tax and other financial crimes from each of the 5 member countries. Together they developed tactical plans and identified opportunities to pursue cyber criminals and enablers of international tax crime.

The new alliance will help HM Revenue and Customs (HMRC) build on work that has secured more than £2.8 billion from offshore tax evaders since 2010. That money has been used to fund our vital public services like the NHS.

Simon York, Director HMRC Fraud Investigation Service, said:

Tax crime and money laundering are becoming increasingly global and sophisticated, so it's crucial we continue to work with international partners to tackle these threats.

The formation of the Joint Chiefs of Global Tax Enforcement (J5) shows our commitment to leading that fight.

Working together, we are broadening the horizon of tax crime enforcement, making the world smaller for those seeking to exploit our systems and ensuring no one is beyond our reach.

This J5 has formed in response to a call to action from the Organisation for Economic Co-operation and Development (OECD) for countries to do more to tackle the enablers of tax crime. All 5 countries face similar threats – organised crime groups and wealthy offshore tax evaders who are well resourced and have access to professional enablers to hide income and assets using the global financial system.

By having a small number of partners, it will allow the group to be more agile and flexible to develop new approaches and carry out joint operations. Any results and benefits will be shared with wider international partners to develop a global understanding of offshore crime.

Membership of the J5 includes the heads of tax crime and senior officials from The Australian Criminal Intelligence Commission (ACIC) and Australian Taxation Office (ATO), the Canada Revenue Agency (CRA), the Dutch Fiscal

Information and Investigation Service (FIOD), HMRC, and Internal Revenue Service Criminal Investigation (IRS-CI).

Will Day, Deputy Commissioner, Australian Taxation Office, said:

Recognising that tax crime crosses international borders, by participating in the J5, the ATO and ACIC can work with like-minded international tax administrations and law enforcement agency partners to build on our domestic activity and develop strategies to disrupt crime and better position Australia against emerging threats.

Col Blanch, Executive Director Intelligence Operations, Australian Criminal Intelligence Commission, said:

Financial crime occurs on a global scale with proceeds of crime transferred between jurisdictions. This is why we are committed to working with our domestic and international partners to proactively target offshore service providers and cybercriminals who specialise in targeting the financial sector.

Johanne Charbonneau, Director General, Canada Revenue Agency, said:

The formation of the J5 demonstrates the serious commitment of governments around the globe in enhancing international cooperation in fighting serious international tax and financial crimes, money laundering, and cybercrime through the use of cryptocurrencies.

The J5 complements the important international work of the OECD through operational collaboration. Our collective efforts and experience will be shared to jointly identify and address the increasingly sophisticated and global schemes and the professional enablers that facilitate such schemes.

Hans van der Vlist, General Director FIOD, said:

The unique thing about the J5 is the operational collaboration between 5 countries on tackling professional enablers that facilitate offshore tax crime, cybercrime and the threat of cryptocurrencies to tax administrations, as well as making best use of internationally available data and technology.

Don Fort, Chief of IRS-CI, said:

We cannot continue to operate in the same ways we have in the past,

siloining our information from the rest of the world while organised criminals and tax cheats manipulate the system and exploit vulnerabilities for their personal gain.

The J5 aims to break down those walls, build on individual best practices, and become an operational group that is forward-thinking and can pressurise the global criminal community in ways we could not achieve on our own.