

# IRS News Release

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## **Australia, Canada, UK and US Agree to Establish Joint Task Force**

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WASHINGTON — Tax Commissioners of Australia, Canada, the United Kingdom and the United States have now established a joint task force to increase collaboration and coordinate information about abusive tax transactions by signing a Memorandum of Understanding (attached) in Williamsburg, Virginia on April 23, 2004.

An initial focus of the work will include the ways in which financial products are used in abusive tax transactions by corporations and individuals to reduce their tax liabilities, and the identification of promoters developing and marketing those products and arrangements.

The joint task force will assist the respective tax administrations in addressing challenges arising from abusive tax transactions. While the tax administrations operate primarily within their own borders, many abusive tax transactions employ strategies that cross borders, and many of the promoters of these transactions operate globally. Setting up a joint task force will enable the four countries to:

- Share expertise, best practices and experiences in the field of tax administration to identify and better understand abusive tax transactions and emerging schemes, as well as those who promote them.
- Exchange information about specific abusive tax transactions and their promoters and investors within the framework of the countries' existing bilateral tax treaties.
- Carry out their individual abusive tax transaction enforcement activities more effectively and efficiently.

"This represents an unprecedented international effort to combat the plague of abusive tax shelters," IRS Commissioner Mark W. Everson said. "The creation of this group sends a strong, unmistakable message to promoters who cross borders to cloak tax schemes. This effort will help us build faith in our country's commitment to a fair tax system."

Officials of the tax administrations will work together in Washington, DC during the initial phase of the task force's operations. The Commissioners will review the operation of the task force after twelve months.