



First US-based Global Financial Institutions Summit on Tax Crime takes place in NY

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NEW YORK – More than 75 representatives from international financial institutions and tax enforcement agencies gathered in New York this week for the first U.S.-based Global Financial Institutions Summit (GFIS) on tax crime. Attendees formalized GFIS memberships details and finalized long-term GFIS strategy and vision goals to tackle tax and related financial crimes on a global level.

The three-day event began Tuesday and continues through Thursday with the Joint Chiefs of Tax Enforcement (J5) and banking institutions coming together to strategically collaborate to combat tax crimes. Participants shared information about the current landscape for tax crimes, as well as offshore tax evasion, legislative and regulatory opportunities, and cryptocurrency assets. They then used this information to discuss how to prioritize tax crime investigations to maximize impact.

Part of the summit focused on finalizing the scope of a report that GFIS had previously commissioned the Future of Financial Intelligence Sharing (FFIS), part of the Royal United Services Institute (RUSI), to produce. The report will detail opportunities to enhance public-private collaboration in response to tax crimes. This report will serve as a blueprint for future GFIS actions and policy decisions.

“Tax crime is a global issue, and this week’s GFIS underscored the importance of public-private partnerships in combatting this criminal activity,” said IRS Criminal Investigation Chief Jim Lee. “Law enforcement must work together with our private-sector partners to identify and effectively combat emerging threats, and GFIS serves as a strategic way to bring the two sectors together to accomplish this goal.”

“I often say it takes a network to defeat a network,” said Helène Erftemeijer, Sector Coordinator, Anti-Money Laundering/Combatting the Financing of Terrorism, Dutch Banking Association. “If criminals operate across borders, we need a strategy to scale our preventive and disruptive activities internationally as well.”

“Tax criminals work across borders to abuse the global financial system and steal from public funds,” said Simon York, Director of the Fraud Investigation Service. “They commit crimes which harm societies, citizens and undermine both tax systems and financial institutions. GFIS is a ground-breaking alliance which is critical to strengthening the first line of defence against global tax crime.”

“GFIS provides us with the opportunity to take this success to a global level, where we can collaborate with a common goal - to prevent financial criminals from being able to use financial institutions to transfer illegal funds altogether,” said John Ford, Deputy Commissioner of the Australian Taxation Office.

“PPP is an important and valuable instrument in our toolbox to tackle tax crime. I’m pleased there was agreement on the tax crime priority topics, as it is important we all try and commit to the themes offshore tax evasion, tech enabled tax crime and transparency,” said Niels Obbink, Director General of the Dutch Fiscal Intelligence and Investigation Service. “The presence of committed private sector partners is crucial to the success of GFIS, therefore I was very glad to have ING bank and Dutch Banking Association actively participating in the summit.”

“This Summit provided a unique forum for financial institutions and tax enforcement agencies to chart out how better collaboration can address some of the world’s most significant tax crimes. In the historic Custom House in Manhattan, the Summit delegates pushed the boundaries of innovation with regard to how public-private partnerships can be applied to tax crimes and can cooperate cross-border,” Nick Maxwell, Head of the FFIS Research Program.

“Canada’s relationship with our partners is critical to our work of ensuring the secure delivery of the benefits Canadians rely on. At the GFIS, the Canada Revenue Agency and our counterparts from the Financial Transactions and Reports Analysis Centre of Canada, are looking forward to developing deeper relationships with our international colleagues from the financial sector,” said Eric Ferron, Director General of the Criminal Investigations Directorate at the Canada Revenue Agency. The first GFIS was held in London in May 2022 to ignite ambitious talks between the J5 and some of the world’s biggest banks.

The J5 works together to gather information, share intelligence and conduct coordinated operations against transnational financial crimes. The J5 includes the Australian Taxation Office, the Canada Revenue Agency, the Dutch Fiscal Intelligence and Investigation Service, His Majesty's Revenue and Customs from the United Kingdom and IRS Criminal Investigation from the United States.

For more information about the J5, please visit www.irs.gov/j5.



Communique



Global Financial Institutions Summit (GFIS)

Background

The first Global Financial Institutions Summit (GFIS) on tax crime was held in London in May 2022, convening the world's most influential leaders in financial crime and tax crime compliance from both public and private sectors.

The GFIS is a top-level **Public-Private Partnership** (PPP) on tax crime comprised of the J5 Chiefs, senior leaders in financial crime compliance across the major international banks, banking representative bodies and a select few influential senior leaders from bodies such as Royal United Service Institute (RUSI).

The GFIS Members have **committed to tackling international tax crime** through their combined **influence, skills and capabilities** operating at a strategic and policy level. GFIS Members have identified a number of areas where the J5 and GFI's could explore and agree on joint initiatives which would enhance combined efforts to tackle tax fraud.

This dialogue secured senior support from GFI's to commit to a partnership with the J5 and to explore options for future activity. The J5 Chiefs also asked the GFI representatives to personally undertake activity to champion tax crime compliance within the wider financial crime compliance landscape.

Purpose

Innovative and ambitious collaboration between public and private sectors is key to tackling international tax crime. The GFIS takes an innovative approach to underpinning long term support to tax crime PPPs and overcoming the biggest obstacles we commonly face in tackling international tax crimes.

The overarching goal of the GFIS is to ensure a strong international tax crime compliance landscape where criminals are **deterred**, opportunity for **crime is reduced**, and **compliance enhanced**.

The GFIS public-private partnership will have a long-term strategic vision to embed bilateral and multilateral collaborative public-private sector working on high-priority tax threats, overarching the existing domestic PPP groups as a form of senior level support.

The partnership will share knowledge and expertise through an open dialogue focused on setting out the biggest challenges faced in PPP work to tackle tax crime and discussing opportunities to navigate these hurdles.

Core Themes

GFIS members have initially identified five core themes to underpin the PPP:

1. Role of Members as a Champion and RUSI research
2. Tax Crime Priorities with a GFIS lens
3. Information Sharing Barriers and Opportunities
4. Legislative and Regulatory Opportunities to underpin long-term tax crime public-private partnerships
5. Media and Comms Opportunities

This is underpinned by a research report commission led by RUSI, which will seek to set out the core areas where GFIS could best focus over a longer term.

RUSI Report

The Future of Financial Intelligence Sharing (FFIS), part of RUSI, has been commissioned to produce an options and scoping paper to evaluate the 'opportunities to enhance public-private collaboration in response to tax crimes.' The outline of this paper is contained within a bespoke Terms of Reference.

The research and drafting for the report is expected to span 1 year, with final publication and submission anticipated in October 2023. The findings of this report will provide a steer for future GFIS activities.