

Vietnam becomes the 159th member of the Global Forum on Tax Transparency



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At a glance...

On 26 December 2019, the Minister of Finance, Mr. Dinh Tien Dung, on behalf of Vietnam, signed a letter to the Chairman of the Global Forum on Transparency and Exchange of Information for Tax Purposes, announcing Vietnam's participation as a member in the forum.



Contents

As a member of the Global Forum, Viet Nam commits to combating tax evasion through implementing the internationally agreed standards of transparency and exchange of information for tax purposes, both exchange of information on request (EIOR) and automatic exchange of information (AEOI).

What is the Global Forum and EIOR and AEOI?

- The Global Forum is a multilateral cooperation mechanism established by the OECD and other non-member countries to promote activities and global cooperation on transparency and tax information exchange since 2000. Currently, there are 160 members, along with 19 international organizations participating as observers in the Global Forum, which includes all G20 countries, OECD members, and important international financial institutions, and most developing countries.
- AEOI is a way for countries to exchange information gathered under the Common Reporting Standard (“CRS”). The CRS requires countries to obtain information about their financial institutions and automatically exchange it with other countries. The CRS sets out the financial account information to be exchanged, the financial institutions required to report, and the different types of accounts and taxpayers covered for example.
- Under the EOIR, certain information, such as identity and ownership information on legal and beneficial owners of entities and reliable accounting records, can be shared with other countries. By signing up to EOIR, Vietnam has also committed to putting in place procedures to ensure that such information is available and available for exchange confidentially. A peer review process exists to ensure availability of information, appropriate access to it and existence of exchange mechanisms.

What are the benefits for Vietnam when joining the Global Forum?

- Participating in the Global Forum shows the Government's commitment to implement a transparent policy on tax and information exchange. As a member of the Global Forum, Vietnam will receive support and can benefit from the tools to implement the international tax standards. It will also help strengthening the cooperation in regional and global tax cooperation frameworks in the coming time and improve Vietnam's international reputation, which is one of the important criteria for ranking and evaluating the investment environment.

What is the impact to you?

- We anticipate that the immediate impact of this to companies in Vietnam will be limited. However, the participation in both the AEOI and EIOR gives the government of Vietnam and overseas governments increased access to certain information, which are powerful tools in tax audits or mutual agreement procedures.
- It also shows the direction of travel of Vietnam. Although not a member of the OECD, Vietnam is prepared to sign up to and implement info sharing. Therefore, more of this to come is expected.

Contact us

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