

**STATEMENT BY HON. RONNIE SKELTON, DEPUTY PRIME MINISTER AND
MINISTER OF FINANCE OF THE BRITISH VIRGIN ISLANDS**

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Thank you, Co-Chair.

Like my colleagues, I have some questions.

First, however, I would like to make clear the BVI's position towards the OECD's harmful tax practices initiative.

The British Virgin Islands is committed to the principles of transparency and effective exchange of information based on a level playing field. It is our policy to remain fully and constructively engaged in all international matters that affect us.

All we are asking is that the OECD countries fulfil their reciprocal responsibility to work with us to put a level playing field in place for the development and implementation of standards on exchange of information.

The BVI welcomes the progress that has been made to date on accepting the principle of a level playing field.

Mr Co-Chair, it may be instructive to recall some of this progress:

- In early 2002, the OECD accepted the principle of a level playing field in commitment letters;
- The OECD then agreed to include all committed jurisdictions as 'participating partners' in its Global Tax Forum;
- In March 2002, Commonwealth Heads of Government "*reiterated*" that "*the standards and timelines for non-OECD jurisdictions should be no more onerous than those for OECD members*";
- In November that year, the Global Tax Forum issued a communiqué, stating that "*it is valuable to examine current and developing standards and practices in all countries and territories in taking this work forward to achieve a level playing field*";
- At the same meeting, OECD Deputy Secretary-General Kondo said to the participating partners, "*I am sure that you also wish to see a successful outcome of this process so that by 2006 we will have achieved our common goal of a level playing field that will ensure fair competition*";

- And only last month, Commonwealth Finance Ministers urged this Global Forum to “*focus on the issue of a level playing field and stressed that the way forward required a satisfactory resolution of this issue.*”

Mr Co-Chair, I must say that this is all very welcome and heartening. The OECD is talking the talk.

Unfortunately, however, key OECD member states themselves appear increasingly unwilling to walk the talk. Indeed, the OECD’s European Union members recently skewed the level playing field even further.

I look forward to our discussing this in detail.

For now, I want to say that it is the BVI’s hope that – despite the obvious difficulties – by the end of this Global Forum, we will finally have established an objective process for the development of the level playing field.

The BVI then looks forward to sitting round the table with all participating partners to develop – on an equal basis – new international standards for the exchange of information.

I would also expect the OECD to ensure that our major non-OECD competitors, such as Hong Kong and Singapore – who were not targeted by this initiative – are part of this process.

The OECD’s project must not be allowed to become a job-creation scheme for Switzerland, Singapore and others at the expense of small countries.

Mr Co-Chair, the OECD Secretariat has talked the talk. All the BVI wants now is for OECD member countries to walk the talk.

Thank you.