Group-of-20 nations agreed to implement a global standard for automatically exchanging information between tax authorities by the end of 2015, the Organization for Economic Cooperation and Development said.

The endorsement is a step toward putting an end to “banking secrecy as we know it,” Pascal Saint-Amans, director of the OECD’s center for tax policy and administration, told reporters today in Sydney, where G-20 finance ministers and central bankers are meeting.

A decision on the technology needed and detailed rules on how governments will swap tax data is likely to be made at a G-20 meeting in September, he said. The new standard would see countries automatically exchange information gathered from their financial institutions.

The OECD, supported by 34 member countries including the U.S., U.K., Germany and Japan, is working on plans for a global exchange of information to crack down on tax-avoidance strategies used by companies such as Google Inc., Apple Inc. and Yahoo! Inc. While the group doesn’t have figures to calculate the total cost of overseas tax avoidance, the British Virgin Islands was one of the top five investors in Russia and China, Saint-Amans said. The accumulated profit of U.S. companies held offshore was $2 trillion, he said.

Change Rules

“The political message is that we will be closing down all the loopholes,” he said. “What multinationals are doing is legal. If it’s legal and you don’t like the outcome, you need to change the rules.”


“If we can come up with common rules that we all sign up to then these companies are going to have to operate within these rules,” Osborne said.

The timescale to implement the plan is “ambitious,” Paul Radcliffe, a director in financial services at accounting firm Ernst & Young LLP, said in a statement.

“Given the looming deadline, financial institutions will need to start the process to become compliant,” he said.