

# International Tax and Investment Organisation

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Mr Donald Johnston  
Secretary-General  
OECD  
2 rue André-Pascal  
75775 Paris Cedex 16  
France

Dear Mr Johnston

I am writing in my capacity as Director of the Secretariat of the International Tax and Investment Organisation (ITIO). As you are aware, non-OECD countries, including members of the ITIO, have long objected to being asked to implement standards that OECD member states themselves refuse to accept. In particular, the ITIO has long called for a level playing field and the elimination of the double standards implicit in the OECD's "harmful tax competition" initiative.

The ITIO notes with interest the statement by Gabriel Makhoul, Chair of the OECD Fiscal Affairs Committee, on 31 January 2002 that his committee has given a new mandate to the OECD's Working Party on Tax Evasion and Avoidance to undertake a fundamental review of Article 26 of the OECD Model Convention.

As you know, the current version of Article 26 specifies less rigorous standards for the exchange of tax information for OECD member countries than your organisation has been advocating for non-OECD states.

The OECD's decision to review Article 26 is a welcome first step towards accepting that all countries, developed as well as developing, should implement the same standards for exchange of information. We hope it will lead to the OECD's members committing to the general principle of a level playing field.

In the ITIO's view, accepting the level playing field principle does not just mean *implementing* standards on an equal basis. It also means involving all countries in the *process* of developing the standards.

We also believe a level playing field needs to apply not just to taxation and corporate vehicle issues but across all OECD initiatives relating to trade in services.

With ITIO members still considering their position on the OECD's "harmful tax competition" initiative, may I ask on behalf of the ITIO when you anticipate all OECD members making a public commitment to observing the principle of a level playing field?

For your information, in the interests of transparency, the ITIO is making this letter public.

With kind regards.

Yours sincerely

Lynette Eastmond  
Director, ITIO Secretariat