

Luxembourg receives largely compliant rating from the Global Forum on Transparency and Exchange of Information for tax purposes

Luxembourg tax alert

The Global Forum on Transparency and Exchange of Information for Tax Purposes (“Global Forum”) aims to ensure the implementation of the internationally agreed standards of transparency and exchange of information with regards to taxation.

Today, the Global Forum released the results of its updated Phase 2’s peer review¹ for Luxembourg, which resulted in a largely compliant rating for the country. This comes after Luxembourg has spent the past couple of years implementing various measures to demonstrate its dedication in promoting tax transparency. As stated in the Luxembourg government communication ([here](#)), Luxembourg now shares the same rating as the United States, the United Kingdom, Germany, the Netherlands and Italy, among others.

As a reminder, Luxembourg had successfully passed Phase 1 of the peer review in 2011 in connection with the legal and regulatory aspects of the exchange of information upon request.

However, in November 2013, Luxembourg received a non-compliant rating further to Phase 2’s peer review on the practice of the exchange of information upon request. This review covered the period from 2009 to 2011 during which Luxembourg had only just begun to apply the new standard for the exchange of information upon request. At the time, the Luxembourg government stated that the non-compliant rating seemed excessive.

Luxembourg was quick in its response to continue to improve its transparency record through various measures, including among others:

- A new regime to ensure the availability of information relating to bearer securities holders which entered into force in August 2014;
- The continuation of double tax treaty negotiations including the OECD standard provision on the exchange of information upon request;
- The ratification and application of the OECD Multilateral Convention on Mutual Administrative Assistance in Tax Matters which provides for various forms of administrative co-operation between States parties in the assessment and collection of taxes;
- The modifications to the applicable procedure for the exchange of information upon request;
- The actions in connection with the automatic exchange of information.

This is a positive development thanks to the demonstration by Luxembourg of its dedication in promoting tax transparency.

1. The peer reviews, which assess member states' compliance with the agreed standards, are carried out in two phases in connection with the exchange of information upon request: phase 1 being in relation to the assessment of the quality of a jurisdiction's legal and regulatory framework for the exchange of information, and phase 2 on the practical implementation and efficiency of such framework

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