

**REPUBLIC OF NAURU**

**AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION BILL 2016**

**SECOND READING SPEECH**

**Honorable David Adeang, M.P.**

**4<sup>th</sup> November 2016**

Mr. Speaker Sir,

I have the pleasure of introducing to the House today the Automatic Exchange of Financial Account Information Bill. This Bill, once passed, will further re-inforce the formal commitment of Nauru to the mandate of the Organisation for Economic Cooperation and Development (OECD) Global Forum in promoting international co-operation in tax matters through exchange of information.

Nauru joined the Global Forum in 2009, and has committed to the international standards of transparency and effective exchange of information for tax purposes.

More recently, on 3<sup>rd</sup> June 2016, Nauru became a signatory to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information.

Mr Speaker, the lack of effective exchange of information is a key criteria in determining harmful tax practices, and it is for this reason that Nauru is now embarking on this important initiative.

The Automatic Exchange of Financial Account Information Bill, once passed, will require Reporting Financial Institutions in Nauru to report financial information to the Secretary for Finance on an annual basis.

For some years Nauru was identified as an offshore financial centre, a misconception still held to this day by some tax jurisdictions.

Mr. Speaker, this Bill, once passed, will serve to clearly demonstrate to the global tax community that Nauru is ready and willing to move forward in the fight against tax avoidance and fraudulent tax practices.

Mr Speaker, the explanatory memorandum details the provisions of the Bill.

Mr Speaker, I commend the Bill to the House.