

2016 GLOBAL TAX EVASION REVIEW: WHAT FINANCIAL INSTITUTIONS NEED TO KNOW

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I. INCREASED GLOBAL TAX EVASION ENFORCEMENT

In 2016, there was a clear upward trend in the fight against tax evasion globally. The April 2016 release of the Panama Papers caused an international shake-up that resulted in multiple global tax evasion investigations and regulatory reviews including in the British Virgin Islands, Singapore, Hong Kong, France, Spain, Germany, Australia, Austria, Sweden and the Netherlands.¹ The U.S. has also continued to focus its efforts on offshore tax evasion and has made significant progress in combatting it.

In addition to investigations and prosecutions, governments are continuing to employ tools such as amnesty programs and global tax reporting mechanisms to learn new information about undisclosed account holders and the institutions and structures that either knowingly or passively aid them. As a result, governments now have unprecedented access and insight into the historically hidden world relating to the maintenance of offshore accounts. This includes the identification of previously unreported individuals and corporations, and information about the financial institutions (“FIs”) and advisors that they use.

Governments are also beginning to share information amongst each other about tax evasion activities outside of traditional regulatory platforms.² At the time of the writing of this paper, tax agencies from 30 countries, known as the Joint International Taskforce on Shared Intelligence and Collaboration, met in Paris to conduct the “largest ever simultaneous exchange of tax information and to share results and details on thousands of investigations sparked by the Panama Papers.”³ The meeting is reported to have resulted in the creation of a “target list” of 100 lawyers, bankers, accountants, and other advisors who enable the use of tax havens.⁴

1. Bastian Obermayer, *Giant Leak of Offshore Financial Records Exposes Global Array of Crime and Corruption*, THE INTERNATIONAL CONSORTIUM OF INVESTIGATIVE JOURNALISTS (Apr. 3, 2016), <https://panamapapers.icij.org/20160403-panama-papers-global-overview.html> and Sumeet Chatterjee, *Asian regulators ask banks to reveal Panama Papers' links – sources*, REUTERS, June 1, 2016, <http://www.reuters.com/article/us-panama-tax-hongkong-exclusive-idUSKCN0YN3TE>

2. The Common Reporting Standards and FATCA are discussed in Section II.C.

3. Will Fitzgibbon, *Tax Agencies Draw Up 'Target List' of Offshore Enablers*, THE INTERNATIONAL CONSORTIUM OF INVESTIGATIVE JOURNALISTS (Jan 20, 2017), <https://panamapapers.icij.org/20170120-oecd-target-list.html>

4. *Id.*



We have already seen a strong response by governments looking to leverage the information they learn to aid in future investigations and prosecutions and combat offshore tax evasion. For instance, the UK has introduced legislation providing for new enforcement powers to both combat UK tax evasion, and to prevent the use of UK banks to commit foreign tax evasion.⁵ Provisions like these will affect financial institutions that knowingly and unknowingly service undisclosed offshore account holders. A number of examples are provided below of financial institutions being prosecuted and/or fined not by the local regulator or tax authority, but by foreign governments who maintain they are being defrauded by offshore tax evasion activity. As such, it is imperative that financial institutions incorporate strong compliance policies and procedures to address and mitigate the risk of their institutions and services being used for tax evasion purposes.

As the paper highlights below, access and insight into the once hidden world of undisclosed offshore accounts is at unprecedented levels. With government cooperation on the rise and leading to even greater transparency, individual taxpayers and financial institutions should be prepared for tax compliance to be increasingly integrated into everyday business.

II. GLOBAL ANTI-TAX EVASION EFFORTS AND THE COLLECTION OF INFORMATION

The Panama Papers leak shed light into what had once been the highly secretive, protected world of offshore banking and propelled numerous governments into action. The leak exposed risks relating to money laundering, bribery, and tax evasion, among other illegal practices. In response, several governments initiated investigations of individuals and the financial institutions that aided them. This is in addition to pre-existing investigations conducted by countries into banks located outside of their physical jurisdiction and voluntary disclosure programs for previously undisclosed account holders, which have resulted in the collection of significant tax, interest, and penalty payments. Perhaps more important, in the course of the investigations of individuals and financial institutions, governments are learning valuable information about previously undisclosed offshore account holders and the institutions that aid them. This information is summarized in the following chart and explained in more detail below.

| ACTION | EXAMPLES OF INFORMATION OBTAINED | GOVERNMENTS IN POSSESSION OF INFORMATION |
|---|---|--|
| Global investigations and resulting enforcement actions such as deferred prosecution agreements | Names of account holders; Misconduct of FI and employees; Transactional information | Various including: Australia, Austria, BVI, France, Germany, Hong Kong, Netherlands, Singapore, Spain, Sweden, and the U.S. |
| Swiss Bank Program | Misconduct of FI and employees; Assets under management; Number of U.S. account holders | U.S. |
| Offshore voluntary disclosure programs and streamlined submissions | FI where offshore account was held; RM names; Misconduct of FI and employees; | Various including: Argentina, Brazil, Canada, Indonesia, Italy, the United Kingdom, and the U.S. |
| FATCA | FI where offshore account is/was held; Names of account holders | Various including: Canada, Colombia, France, Germany, Hong Kong, Israel, Singapore, and the U.S. |
| OECD Common Reporting Standard | FI where offshore account is/was held; Names of account holders | 101 jurisdictions including: Argentina, Hong Kong, Isle of Man, India, Portugal, Singapore, and the United Kingdom |

5. UK Criminal Finances Bill, 2016-17, H.C. Bill [97].

A. Global Investigations and Prosecutions - Information Learned

1. Global Investigations Related to Swiss Banks

Global investigations continued in 2016 with many ending in large fines and unprecedented disclosures. In February, Julius Baer paid \$547 million in penalties, and entered into a deferred prosecution agreement with the U.S. Department of Justice (“DOJ”) where it admitted to helping U.S. taxpayers evade paying U.S. taxes through the use of unreported foreign accounts.⁶ In addition, two Julius Baer bankers pleaded guilty in Manhattan Federal court for their roles in aiding and abetting U.S. tax evasion.⁷

In June, reports surfaced of a U.S. DOJ probe into Credit Suisse’s operations in Israel, specifically whether Credit Suisse employees in Israel helped dual Israeli and U.S. citizens evade American taxes.⁸ In October, Credit Suisse announced that as a result, it was conducting an internal investigation, and had already placed five employees on leave.⁹

In July, UBS announced that it received a disclosure order for information from the Swiss Federal Tax Administration that originated with the French tax authorities.¹⁰ UBS stated that the request “concerns a number of UBS account numbers pertaining to current and former French domiciled clients and is based on data from 2006 and 2008.”¹¹

The tax authorities will likely learn valuable information as a result of these enforcement actions - not limited to just the names of account holders. Governments may also learn

about potential misconduct of the banks and their employees, as well as the information relating to the potential transfer of assets from one financial institution to another by an undisclosed account holder.

2. Global Investigations Originating with the Panama Papers

Backlash following the Panama Papers leak has had a global impact, leading to multiple governmental investigations and enforcement actions. For example, the British Virgin Islands levied a \$440,000 administrative penalty, the largest fine ever issued by the island nation, on the law firm at the center of the Panama Papers leak, Mossack Fonseca.¹² More than half of the 240,000 shell companies represented by Mossack Fonseca were incorporated in BVI.¹³ The law firm was fined for failure to maintain controls to prevent money laundering and terrorist financing, failure to assess the risks of customers and one-off transactions, failure to undertake due diligence checks on customers, failure to keep up-to-date records on customers, and failure to carry out proper compliance checks.¹⁴

Shortly after the Panama Papers leak, both the Singapore and Hong Kong regulatory authorities sent letters to banks in their jurisdictions requesting that they disclose dealings with certain entities and individuals named in the leak.¹⁵ The Singapore regulator and the Finance Minister also publicly stated that the Singapore tax authority will be looking into any local taxpayers named in the leak to assess compliance with local tax law.¹⁶

6. Press Release, Dep’t of Justice, Criminal Charges Filed Against Bank Julius Baer of Switzerland with Deferred Prosecution Agreement Requiring Payment of \$547 Million, as Well as Guilty Pleas of Two Julius Baer Bankers (Feb 4, 2016) <https://www.justice.gov/opa/pr/criminal-charges-filed-against-bank-julius-baer-switzerland-deferred-prosecution-agreement>.

7. *Id.*

8. Tom Schoenberg, *Credit Suisse Said to Face U.S. Probe on Israel Client Taxes*, BLOOMBERG NEWS, June 22, 2016, <https://www.bloomberg.com/news/articles/2016-06-22/credit-suisse-said-to-face-u-s-probe-on-israel-client-taxes-iprgqlld>

9. *Id.*

10. Press Release, UBS News, Request for international administrative assistance in tax matters (July 5, 2016), https://www.ubs.com/global/en/about_ubs/about_us/news/news.html/en/2016/07/05/fr-tax-matters.html

11. *Id.*

12. Hamish Boland-Rudder, *BVI hits Mossack Fonseca with biggest ever fine after Panama Papers investigation*, PUBLICINTEGRITY.ORG (Nov 16, 2016), <https://www.publicintegrity.org/2016/11/16/20473/bvi-hits-mossack-fonseca-biggest-ever-fine-after-panama-papers-investigation>

13. Jennifer Garside, *Mossack Fonseca fined \$440,000 in British Virgin Islands*, THE GUARDIAN, Nov. 15, 2016, <https://www.theguardian.com/business/2016/nov/15/mossack-fonseca-fined-british-virgin-islands-panama-papers>

14. *Id.*

15. Sumeet Chatterjee, *Asian regulators ask banks to reveal Panama Papers’ links – sources*, REUTERS, June 1, 2016, <http://www.reuters.com/article/us-panama-tax-hongkong-exclusive-idUSKCN0YN3TE>

16. *Id.*

In addition, France has started an investigation of approximately 560 French taxpayers whose names they obtained through the Panama Papers leak.¹⁷ Spain has opened a money laundering probe in connection with the Panama Papers and stated that tax authorities would thoroughly investigate allegations of offshore accounts held by Spanish taxpayers.¹⁸ Germany stated that German authorities would “pick up the ball” in the Panama Paper’s case.¹⁹ The German daily, *Süddeutsche Zeitung*, reported that more than 1,000 Germans were named in the Panama Papers²⁰ and at least 28 German banks used the Mossack Fonseca firm.²¹ The Justice Minister, Heiko Maas, stated that he wanted tighter German laws against money laundering, including a “transparency register,” designed to deter tax evasion and terrorist financing.²²

Finally, Australia, Austria, Sweden, and the Netherlands are among other countries that said they have begun investigating the allegations based on the Panama Papers.²³

B. Amnesty Programs and Information Learned

The Swiss Bank Program and the Offshore Voluntary Disclosure Program (“OVDP”) are two U.S. initiatives that have resulted in greater access to information on undisclosed offshore accounts. The OVDP, which allows U.S. taxpayers with undisclosed accounts, whose anonymity is increasingly threatened, to come forward and pay back taxes, interest, and penalties in exchange for non-prosecution, in particular has resulted in the U.S. increasing its access to information globally on offshore tax evasion. Other governments have since instituted similar programs such as Argentina, Brazil, Canada, Indonesia, Italy, and the United Kingdom. The consequences that the Swiss Bank and OVD Programs may have on financial institutions are discussed below.

1. Swiss Bank Program

The Swiss Bank Program was set-up by the U.S. Department of Justice to allow banks to admit to wrongdoing, pay a fine, and cease facilitation of tax evasion, in exchange for non-prosecution agreements. Under this program, DOJ entered into 80 non-prosecution agreements (“NPAs”) with 80 Swiss banks as well as one NPA with a Swiss asset management firm. In exchange for non-prosecution, the banks admitted to assisting U.S. taxpayers to evade paying U.S. taxes, disclosed the number of U.S. related accounts and U.S. assets under management, and agreed to pay penalties for past wrongdoing.²⁴ The NPAs have resulted in more than \$1.36 billion in penalties.²⁵

Caroline Ciraolo, acting head of DOJ’s Tax Division at the time, stated that DOJ, “received substantial, detailed information regarding U.S. related accounts, U.S. accountholders and foreign and domestic individuals and entities that assisted the U.S. accountholders to evade U.S. tax and reporting requirements.”²⁶ Now that the Swiss Bank program has entered into the “legacy” stage, the U.S. is using the information it learned to inform new strategies and tactics to fight tax evasion in jurisdictions beyond Switzerland.

2. U.S. Offshore Voluntary Disclosure Program and Streamlined Compliance Submissions

The Offshore Voluntary Disclosure Program has also been a successful tool for DOJ. More than 55,000 taxpayers have come forward to disclose offshore accounts through the OVDP, resulting in approximately \$10 billion in tax, interest and penalty payments.²⁷ The OVDP is another resource that provides relevant information to

17. Associated Press, *France investigating 500 taxpayers after Panama Papers leaks*, U.S. NEWS & WORLD REPORT, Nov. 17, 2016, <http://www.usnews.com/news/business/articles/2016-11-17/france-investigating-500-taxpayers-after-panama-papers-leaks>

18. Matt Moffett, *Spain Pledges Thorough Investigation of ‘Panama Papers’ Allegations*, THE WALL ST JOURNAL, Apr. 5, 2016, <http://www.wsj.com/articles/spain-pledges-thorough-investigation-of-panama-papers-allegations-1459880086>

19. Stella Roque, *The Panama Papers: The World Reacts*, THE ORGANIZED CRIME AND CORRUPTION REPORTING PROJECT, <https://www.occrp.org/en/panamapapers/reactions/>

20. *Id.*

21. Deutsche Welle, *German banks, individuals feature in ‘Panama Papers,’* DW.com, (Apr. 5, 2016) <http://www.dw.com/en/german-banks-individuals-feature-in-panama-papers/a-19164412>

22. *Id.*

23. *Supra* note 19.

24. Dep’t. of Justice, *Swiss Bank Program*, <https://www.justice.gov/tax/swiss-bank-program>

25. *Id.*

26. Caroline Ciraolo, *Keynote Address at the American Bar Association’s 27th Annual Philadelphia Tax Conference* (Nov. 2, 2016) <https://www.justice.gov/opa/speech/principal-deputy-assistant-attorney-general-caroline-d-ciraolo-delivers-keynote-address>

27. Press Release, Internal Revenue Service, *Offshore Voluntary Compliance Efforts Top \$10 Billion; More Than 100,000 Taxpayers Come Back into Compliance* (Oct. 21, 2016) <https://www.irs.gov/uac/newsroom/offshore-voluntary-compliance-efforts-top-10-billion-more-than-100000-taxpayers-come-back-into-compliance>

DOJ for current and future prosecutions such as the name and location of the financial institution where the offshore account was held, relationship manager names, and conduct of the financial institution representatives. The use of streamlined submissions has also become a popular method for U.S. persons to disclose their offshore assets and an additional source of information for the U.S. government. In a streamlined submission, a U.S. taxpayer files an amended or delinquent return(s) and submits a sworn statement that his or her failure to report an offshore account was non-willful.²⁸ 48,000 taxpayers have made streamlined submissions and paid approximately \$450 million in taxes, interest and penalties.²⁹

3. Canada's Voluntary Disclosure Program

The Canada Revenue Agency's ("CRA") Voluntary Disclosure Program ("VDP") gives taxpayers "a second chance to change a tax return" and "ask for relief of prosecution and penalties including taxpayers with offshore accounts."³⁰ In April 2016, the Offshore Compliance Advisory Committee (the "Committee") was established to provide advice to the CRA on strategies for offshore compliance. The Committee made several recommendations including that the VDP provide "less generous" relief in certain circumstances such as multiple years of non-compliance and substantial dollar values of tax evaded, and that disclosure of the identity of any advisers who assisted the taxpayer in evading tax be a requirement of entry into VDP.³¹ This measure will increase the amount of information the CRA can learn from the voluntary disclosures and aid in future investigations.

C. Ongoing Efforts to Obtain Information and Combat Global Tax Evasion

The following section highlights efforts to prevent global tax evasion including compulsory disclosure of foreign bank accounts and information sharing amongst governments regarding non-compliance. Through the use of these tools, governments will continue to gain access to the names of the financial institutions where offshore accounts are held and the names of account holders.

1. Foreign Account Tax Compliance Act ("FATCA")

FATCA requires that participating non-U.S. financial institutions provide information to the U.S. government regarding accounts maintained at the non-U.S. financial institution for U.S. taxpayers. Currently, the U.S. has entered into intergovernmental agreements ("IGAs") with 113 nations (i.e., an agreement in substance, in force, or signed) for the implementation of, and compliance with, FATCA.³² The Treasury Department has also entered into bilateral agreements with 40 jurisdictions pursuant to which the U.S. will provide, as well as receive, tax information on the taxpayers of the 40 jurisdictions.³³

2. The OECD's Common Reporting Standards

As of July 2016, 101 jurisdictions (54 by 2017 and 47 by 2018) have agreed to participate in the CRS's Automatic Exchange of Information ("AEOI") platform.³⁴ The CRS was developed by the Organization for Economic Cooperation and Development ("OECD"), alongside the G20 countries, to tackle and deter cross-border tax evasion.³⁵ The CRS provides a model for its

28. INTERNAL REVENUE SERVICE, Streamlined Filing Compliance Procedures, <https://www.irs.gov/individuals/international-taxpayers/streamlined-filing-compliance-procedures> (last visited Jan. 13, 2017).

29. *Supra* note 27.

30. CANADA REVENUE AGENCY, Report on the Voluntary Disclosures Program, <http://www.cra-arc.gc.ca/voluntarydisclosures/> (last visited Jan. 13, 2017).

31. *Id.*

32. U.S. DEPARTMENT OF THE TREASURY, Resource Center: Foreign Account Tax Compliance Act, <https://www.treasury.gov/resource-center/tax-policy/treaties/Pages/FATCA.aspx> (last visited Jan. 13, 2017).

33. U.S. DEPARTMENT OF THE TREASURY, Resource Center: Treaties and TIEAs, <https://www.treasury.gov/resource-center/tax-policy/treaties/Pages/treaties.aspx> (last visited Jan. 13, 2017).

34. Global Forum on Transparency and Exchange of Information for Tax Purposes, AEOI: Status of Commitments, July 26, 2016, <http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>.

35. Automatic Exchange Portal, Organization for Economic Cooperation and Development, <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard> (last visited Jan. 13, 2017).

signatory nations to follow in an effort to detect and report taxpayers with offshore accounts to home country tax authorities. The G20 endorsed the AEOI as the new standard, eventually giving life to what is now the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters.³⁶ Much like FATCA, the information to be exchanged between governments includes the names of account holders, aggregated balances, and residency information; however, CRS is not U.S.-centric. European, Latin American, Asian and other jurisdictions' governments will exchange information with one another on taxpayers with accounts in non-resident jurisdictions.

III. FOCUS FOR FINANCIAL INSTITUTIONS

There is every indication that governments will use the vast amount of information learned from ongoing investigations, prosecutions, amnesty programs, self-reporting, and information sharing to propel more investigations and prosecutions going forward. For instance, the acting head of the DOJ Tax Division at the time, Caroline Ciruolo, recently stated:

We are working closely with our colleagues in the IRS and using information gathered in pending investigations and to identify new individuals, entities and areas of interest for both civil tax enforcement and criminal tax investigations and prosecutions. We are following the money outside Switzerland and into jurisdictions around the world and investigating activities by asset management companies, corporate service providers, financial advisers, insurance companies and other financial entities. As a result of our enforcement efforts, entities are contacting us to acknowledge their role in facilitating U.S. tax evasion, disclose the individuals engaged in this conduct, and cooperate with the department in an effort to address and resolve criminal exposure.³⁷

Other governments including the UK and Germany have also begun making preparations to ensure they have the appropriate enforcement powers to react to the new information they learn.

A. The UK "Name and Shame" Powers

The UK enacted new measures whereby, beginning January 1, 2017, the accountants, bankers, lawyers and any other advisors who enable offshore tax evasion will face harsh financial penalties and will be publicly named.³⁸ The corporations and/or individuals will face fines of up to 100 percent of any tax evaded.

B. The UK's Failure to Prevent the Facilitation of Tax Evasion Provision

The UK Criminal Finances Bill (the "Bill"), a bill to amend the Proceeds of Crime Act of 2002, is currently before the UK Parliament.³⁹ Part 3 of the Bill, entitled Corporate Offenses of Failure to Prevent Facilitation of Tax Evasion, makes both the failure of banks and other organizations to prevent facilitation of UK tax evasion, and the failure to prevent the facilitation of foreign tax evasion a criminal offense.⁴⁰ Prior to the Bill, only offenses committed by senior management, often hard to prove, especially in large organizations, were punishable.

As currently drafted, the UK can assert jurisdiction over any organization that fails to prevent the facilitation of UK tax evasion.⁴¹ To be considered facilitation of tax evasion, the conduct must result in a UK tax evasion offense.⁴² With regard to the criminal offense of failure to prevent foreign tax evasion, the UK can assert jurisdiction over any organization that satisfies any of the following three conditions: 1) is incorporated in the UK, 2) carries out business in the UK; and/or 3) where the offense constituting facilitation of foreign tax evasion took place in the UK.⁴³ To be considered facilitation of foreign tax evasion, the conduct must amount to an offense under the laws of the foreign country, as well as be considered a facilitation offense under UK law.⁴⁴ For example, a Hong Kong bank with a UK branch could face prosecution in the UK if an employee of the bank, such as a relationship manager, aided his or her client in the evasion of Singapore taxes.

36. Press Release, Organization for Economic Cooperation and Development, OECD releases full version of global standard for automatic exchange of information (July 21, 2014), <http://www.oecd.org/newsroom/oecd-releases-full-version-of-global-standard-for-automatic-exchange-of-information.htm>.

37. *Supra* note 26.

38. HM Treasury and Jane Ellison MP, New Year brings in new penalties for enablers of offshore tax evasion, GOV.UK (Jan 1, 2017), <https://www.gov.uk/government/news/new-year-brings-in-new-penalties-for-enablers-of-offshore-tax-evasion>

39. UK Criminal Finances Bill, 2016-17, H.C. Bill [97].

40. *Id.* Part 3.

41. *Id.* Part 3, cl.40.

42. *Id.* Part 3, Cl 40 (6).

43. *Id.* Part 3, Cl 41 (2)(a-c).

44. *Id.* Part 3, Cl 41 (6)(a-c).

Under the Bill, the only defense to a failure to prevent the facilitation of UK or foreign tax evasion is maintaining an adequate compliance program to prevent such conduct, or where it was not reasonable to expect the organization to have such procedures in place.⁴⁵ Currently, there is no limit on the fine that can be imposed for violating Part 3 of the Bill.

C. Proposed German Anti-Tax Evasion Legislation

In response to the Panama Papers leak, the German Finance Minister, Wolfgang Schäuble, has proposed new legislation to make it harder for German taxpayers to hide money offshore. The proposal would require German taxpayers to disclose any business relations with offshore shell companies.⁴⁶ Germany's Economy Minister, Sigmar Gabriel, has gone a step further and stated that German law should prohibit beneficial owners of offshore companies and foundations from remaining anonymous.⁴⁷

These provisions have clear implications for undisclosed account holders around the globe, but will also have far reaching effects on how financial institutions service their clients and stay in compliance with increasing regulations.

IV. COMPLIANCE BEST PRACTICES

In light of the response of governments all over the world to recent tax evasion scandals, including prosecutions and legislative changes, as well as the continued and determined focus by governments to prevent tax evasion, it is imperative that financial institutions incorporate and maintain a robust compliance program to mitigate tax evasion risk. As this paper demonstrates, simply following reporting procedures prescribed by legislation is likely not enough. Measures to prevent tax evasion can and should be incorporated into each of the seven elements of an effective compliance program including: 1) written standards; 2) oversight and governance; 3) due diligence; 4) communication and training; 5) risk-based auditing and monitoring; 6) investigating and corrective action; and 7) disciplinary guidelines.⁴⁸ Furthermore, in some instances financial institutions may also conduct risk assessments, internal investigations, and/or reviews of accounts from certain time periods or fitting other criteria to determine their risk and exposure.

V. CONCLUSION

Governments are conducting investigations or regulatory reviews, instituting amnesty programs, participating in information sharing platforms, and increasing disclosure requirements to prevent tax evasion and facilitation, and gain critical information about the individuals and the financial institutions that are used to commit tax evasion. Financial institutions should therefore have a strong compliance program to address and mitigate the risk of their institutions and services being used for tax evasion purposes. Governments around the world know more than ever before about the activities of account holders that maintain undisclosed accounts and the financial institutions where those accounts are maintained. As shown above in numerous examples, it is not only the local regulator and tax authority that financial institutions should be concerned about, it is also foreign governments with increasing access to information who believe they are being defrauded by offshore tax evasion.

45. *Id.* Part 3. CI 40 (2) and 41 (3).

46. Martin Greive, *Schäuble Plans Anti-Tax-Avoidance Law*, HANDELSBLATT GLOBAL, Nov. 3, 2016, <https://global.handelsblatt.com/finance/germany-plans-panama-law-635609>

47. Reuters, *Germany plans new tax law on back of 'Panama Leaks' revelations*, EURACTIV.COM, Apr. 5, 2016, <https://www.euractiv.com/section/euro-finance/news/germany-plans-new-tax-law-on-back-of-panama-leaks-revelations/>.

48. Federal Sentencing Guidelines Manual §8B2.1 (2015).

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