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## Internationalization of Countering Dishonest Tax Practices

### Internacjonalizacja zwalczania nieuczciwych praktyk podatkowych

#### • Abstract •

According to the estimates from 2013, 8 per cent of the global capital was located in the so-called ‘offshore zones’, or jurisdictions used for tax optimization, which was \$7.6 trillion at the time. Locating funds in tax havens resulted in a reduction of revenue in the relevant jurisdictions of between \$500 billion and \$600 billion per year. International community has recognized the need to adopt international regulations to counteract the erosion of the tax base. For this purpose, the Common Reporting Standard (CRS) was adopted in 2014. The main idea behind implemented changes was to have an effective exchange of financial information between national tax authorities. This article provides information on the reasons for the adoption of the standard in 2014 and the practice of financial information exchange after 2017. Additionally, data on the effectiveness of exchange of information and critical analysis of some aspects of the functioning of the CRS were presented. The assumptions of the article are presented in terms of internationalization, given the fact that counteracting dishonest taxpayers has shifted from the national to the international level in recent years.

#### • Abstrakt •

Zgodnie z szacunkami z 2013 r. w tzw. strefach offshore, czyli jurysdykcjach wykorzystywanych do optymalizacji podatkowej, było zlokalizowane 8% światowego kapitału, co stanowiło wówczas 7,6 biliona dolarów. Lokowanie środków w rajach podatkowych powodowało zmniejszenie wpływów we właściwych jurysdykcjach od 500 do 600 miliardów dolarów rocznie. Społeczność międzynarodowa dostrzegła konieczność wprowadzenia międzynarodowych regulacji, aby przeciwdziałać zjawisku erozji bazy podatkowej. W tym celu w 2014 r. przyjęto Wspólny Standard Wymiany Informacji (Common Reporting Standard, CRS), który operacyjnie zaczął funkcjonować od 2017 r. Głównym celem wprowadzonych zmian miała być skuteczna wymiana informacji finansowych pomiędzy krajowymi organami administracji podatkowej. Tekst zawiera informacje na temat genezy, powodów przyjęcia CRS oraz praktyki wymiany informacji finansowych po 2017 r. Zaprezentowane zostały dane dotyczące efektywności wymiany informacji oraz krytyczna analiza niektórych aspektów funkcjonowania CRS. Całość rozważań została osadzona w ujęciu internacjonalizacji z uwagi na fakt przeniesienia walki z nieuczciwymi podatnikami z płaszczyzny krajowej na międzynarodową.

**Keywords:** internationalization; Organization for Economic Co-operation and Development; Common Reporting Standard; exchange of financial information; taxes; tax optimization

**Słowa kluczowe:** internacjonalizacja; OECD; CRS; wymiana informacji finansowych; podatki; optymalizacja podatkowa

## Introduction

As a result of significant increase in the mobility of taxpayers, the number of cross-border transactions and creation of new financial instruments, the process of calculating the amount of taxes due has become difficult to determine unequivocally. National tax administrations are unable to effectively manage tax system, especially with regard to direct taxes, if they do not receive information from other countries. The problem is primarily money held abroad and not taxed to the extent that should be included in internal tax liabilities in their home jurisdictions, or income not taxed anywhere. Such phenomenon is referred to by the term 'tax base erosion'. Therefore, at the beginning of the second decade of the 21<sup>st</sup> century, the efforts were made at the international level to verify unfair tax practices more effectively. This is because it was recognized that cooperation is crucial in combating tax evasion, and its most important tool is correct exchange of information.

The aim of the article is to explain the processes that led to the development of international cooperation in the area of financial information exchange. An attempt was made to define the reasons and goals of undertaking joint activities, and the main stages of international cooperation in this area were presented. For the purpose of this discussion, a basic research question was formulated: Can adoption of intergovernmental regulations on exchange of financial information be considered an internationalization of tax collection process? Comparative method of content analysis was used during the research – by verifying the assumptions presented in official documents of the Organization for Economic Co-operation and Development (OECD) with the practice of cooperation development as reflected in policy actions at the intergovernmental level. This article contains numerous statistical data, both from international organization sources and the results of strictly scientific analysis. The reports and studies prepared by the OECD were used to the greatest extent. During the research, a review of the English-language literature was performed primarily due to the lack of current studies on the subject in the Polish scientific discourse. This article is structured chronologically and thematically.

## Internationalization of the tax base erosion problem

As it was mentioned above, this research has been embedded in the concept of internationalization. The very idea of internationalization has been largely replaced by the term of globalization (Skarżyński, 2021, pp. 98–99). However, this does not mean that it has been completely removed from social science research. Among other things, internationalization is the subject of discussions on the role of businesses in the international environment – including the context of acquiring new markets, financing the costs of introducing new products or services abroad, or the instruments of economic promotion used by states (see more: Czarnecki, 2016, pp. 17–30; Kuzel, 2018, *passim*). However, it is worth remembering that internationalization was originally used to define the factors and conditions that co-shape cooperation between actors in the international community. According to this approach, the interdependencies occurring in the international system are a consequence of the internationalization processes of multiple spheres of social life. Some of the problems that are part of the internal environment of a state are becoming international and require joint action at the supranational level to solve them (Kukułka, 2000, p. 217). In addition, unlike globalization, internationalization is a process of ordering, stabilizing and normalizing relations, and involves controlling actions and reducing interactions (Kukułka, 1988, p. 306). The essence of the process is an effort to reduce the spontaneity and freedom of action of the participants in international relations in an unstructured international environment and to diminish the randomness of their behavior (Łoś-Nowak, 2004, p. 16). Given the anarchic environment of capital flows, the attempts to organize tax optimization carried out by many entities, in the author's opinion, should be embedded precisely in terms of internationalization. The situation when international financial transfers are carried out without any control (thanks to reduction of time and resources needed to carry them out) is a consequence of globalization.

There is no doubt that maintenance of foreign accounts is often used as an escape from taxation. In order to overcome the negative effects of this phenomenon, it has become necessary to implement a system of administrative cooperation between tax authorities of different countries. Common Reporting Standard (CRS) was adopted in 2014. It is the most important operational tool within the framework of previously executed Automatic Exchange of Information (AEOI). The solutions mentioned above are the result of actions taken internationally on the initiative of the OECD and the G20, which is a forum for dialogue on the issues crucial to the global economy (OECD, 2021a, pp. 11–13). The exchange of information under AEOI was previously limited to bilateral cooperation between specific countries.

This did not affect effective prevention of tax evasion, since the procedure was complicated, required cooperation of several institutions, and waiting period for data was relatively long. As it was intended, the CRS was supposed to make it possible to effectively verify any attempts at global tax optimization in a relatively short period of time (Knobel & Meinzer, 2014, pp. 53–54).

Although the need for cooperation was discussed for many years, it was not until the beginning of the second decade of the 21<sup>st</sup> century that the work on the CRS began. This is because it required involvement of large technical, operational and financial resources by national tax authorities, financial institutions and governments. However, it was realized that incurred tax losses significantly outweighed the costs of preparing the standard. Three major reasons should be identified that were the spur for raising the problem of tax evasion internationally.

Firstly, one must refer to the financial crisis of 2008–2009, the effects of which were noticeable at the beginning of the second decade of the 21<sup>st</sup> century. Many governments sought additional revenue by looking towards lost tax profits. The second major reason underpinning the will to introduce new regulations was the scandal case related to the Swiss bank UBS. In 2007, a former employee of the bank, Bradley Birkenfeld, admitted that the actions were taken to allow American citizens to avoid paying taxes. He revealed the manner and scale of the operations using the so-called undeclared accounts at UBS. The management of the bank decided to plead guilty to the charges and paid a \$780 million fine as a part of an amicable settlement of the case, and handed over data about 4,700 bank accounts to the U.S. authorities (Hira, Gaillard, & Cohn, 2019, pp. 72–73, 209–211). Although the scandal involved a single bank and mainly customers from the United States, there was a fairly widespread perception that other financial institutions were using similar practices. They took advantage of the principle of bank secrecy and limited cooperation of tax administrations of various countries. In this context, it is worth highlighting the G20 Group's declaration of April 2, 2009 at the London summit. As if in response to the UBS scandal, it was emphasized that “the era of bank secrecy is over”, and countries are determined to introduce sanctions to protect public finances and financial systems from dishonest actors (Johannesen & Zucman, 2014, pp. 65–68).

Thirdly, the issue of developing an international standard for tax information exchange has been discussed for years. What has been missing, however, was a regulation that would cover a significant number of tax jurisdictions in its scope. Advanced studies on reduction of tax evasion were conducted by the European Union, the OECD, and the Global Forum on Transparency and Exchange of Information for Tax Purposes. It is important to emphasize here, first and foremost, the efforts on the

part of the OECD, where the Committee on Fiscal Affairs (CFA) and Center for Tax Policy and Administration (CTPA) are responsible for activities in tax matters. In addition, ad hoc working groups are set up to deal with emerging fiscal issues. The organization has a long history of promoting closer cooperation between countries and creating new ways to exchange tax information. Already in 1981, the OECD prepared a standardized paper form for exchange of tax information between countries. In 1992, the Standard Magnetic Format (SMF) was created, allowing data to be transmitted electronically. In 2004, there was a technological transformation of the tool with the implementation of the Standard Transmission Format (STF). This was a technical change – in the STF format, the original scope of information covering SMF could be expanded to include any other type of tax data. STF format was already based on XML (Extensible Markup Language) and was a technically advanced solution for the time when it comes to encryption of messages. The next step toward increasing tax transparency took place in 2009, when, on the initiative of the OECD, exchange of tax information on demand was made an international standard. A special scheme of action was also developed concerning Tax Information Exchange Agreements (TIEAs), under which contracting states provided assistance to each other with regard to determination of tax assessment, collection and enforcement of tax arrears, investigation and prosecution of crimes (Lang et al., 2015, pp. 171–173).

The goal of all initiated measures was to prevent a further increase in tax evasion. However, introduction of new solutions with the participation of more international law entities was found to be necessary. Earlier regulations were respected primarily by OECD countries, and figures indicated an intensification of tax avoidance or evasion. According to the estimates from 2013, 8% of the world's capital was located in the so-called offshore zones, or jurisdictions used for tax optimization (Zucman, 2013). Depending on the data presented at the time, the placement of funds in the so-called tax havens resulted in lower tax revenues in the relevant jurisdictions, between \$500 and \$600 billion a year. About \$200 billion of this sum was attributable to the losses of developing countries. It was more than they received each year in foreign development aid (Shaxson, 2019, pp. 7–10). The owners of 25% of all deposits in tax havens were registered as residents of other countries (Johannessen & Zucman, 2014, p. 85). It should be noted that having a center of personal interest in the so-called tax haven is not considered illegal. Many entities make this choice due to tax optimization of their business, which involves avoiding payment of tax. In this context, two attitudes – tax evasion and tax avoidance – should be clearly distinguished. The first one is an illegal activity, treated as a crime. It is realized, among other things, by declaring other tax residences in relation to actual center of

personal interests where the taxpayer resides, conducts business and earns income. By providing incorrect tax residency data, one can avoid tax liability by escaping the jurisdiction of relevant tax administration authorities. Whereas, tax avoidance is precisely related to the concept of tax optimization, for example, through relocating or establishing a business abroad. Therefore, the aim of implementation of new standard was to identify tax evaders and reduce the number of individuals and legal entities that pursue tax optimization. According to the OECD and the G20, the dynamics of the practice was so great that radical measures were necessary, and to be successful, financial institutions should have been involved.

### **The CRS adoption process**

The April 9, 2013 declaration by the finance ministers of France, Germany, Italy, Spain, and the United Kingdom is recognized as the beginning of the steps that led to implementation of the CRS. At the time, they announced their intention to introduce a new model for exchanging information to identify tax residency. The scope and method of data transfer was to be similar to that adopted under FATCA in 2010 (OECD, 2016, p. 2). However, the earlier regulation only obliged European countries to cooperate bilaterally with United States tax administration authorities. This time, exchange of information was to be implemented between the largest economies of the European Union. The statement intended only to implement the regulation within the European Union. However, it provided the impetus to address the problem in a broader international format. Ten days later, the G20 finance ministers declared that they expected to prepare assumptions for a solution that would effectively reduce the problem of tax avoidance (OECD, 2016, p. 2). The OECD was responsible for drafting an international regulation, as it had already conducted the most advanced work in this area. On June 19, 2013, G8 leaders acknowledged the OECD Secretary-General's report on "The Next Shift in Tax Transparency". It laid out a roadmap for preparing and implementing a global model. On September 6, 2013, G20 leaders obliged the OECD and the Global Forum on Transparency and Exchange of Information for Tax Purposes to develop a new multilateral framework for automatic exchange of financial information and pledged full support for the initiative (Urinov, 2015, p. 3).

On the part of the OECD, work on the standard began in the second half of 2013. The foundations of future agreement relating to the rules and the manner of automatic exchange of information were prepared relatively quickly. Already on February 23, 2014, the G20 finance ministers approved the OECD's regulatory

proposal (OECD, 2016, p. 2). However, it should be emphasized that this was not a complete version of the CRS, as it did not include the issue of a future intergovernmental agreement on the matter, comments, detailed guidelines and specifications for the IT systems responsible for transfer of data. The working assumptions referred only to the role of financial institutions responsible for aggregating information and the role of national tax administrations in terms of how information is collected, reported and exchanged.

At the same time, the OECD Ministerial Council meeting in Paris on May 6–7, 2014 adopted the Declaration on Automatic Exchange of Information in Tax Matters. The document obliged countries to implement a common global standard for automatic exchange of information in the version approved by the G20. The Declaration was adopted by 47 governments until September 2014. Among them were 34 countries that were then the members of the OECD, as well as Argentina, Brazil, China, Colombia, Costa Rica, India, Indonesia, Latvia, Lithuania, Malaysia, Saudi Arabia, Singapore, and South Africa. The document included declaration on the determination to quickly implement the new global standard. The pillar of future cooperation was to be reciprocity principle (OECD, 2014a, pp. 3–4).

On July 15, 2014, the full text of the CRS agreement was approved by the OECD Council. A week later, the OECD published the full version of the Standard for Automatic Exchange of Financial Account Information in Tax Matters. In addition to the assumptions approved by the G20 on February 23, 2014, the standard included implementing comments, technical guidance and a reporting scheme. An important event on the way to the approval of the agreement turned out to be the G20 meeting in the Australian city of Cairns on September 20–21, 2014. The final version of the document was then approved by the Group's finance ministers (OECD, 2016, p. 2). In addition, the Global Forum on Transparency and Exchange of Information for Tax Purposes presented a roadmap for developing countries to participate in the new solution. It was intended to limit the placement of funds by the taxpayers from developed countries in developing countries. It was emphasized that even the most effective methods of exchanging tax information between OECD countries will be meaningless if the individuals or companies move their centers of personal interest to the countries that have not adopted the agreement. Therefore, the plan was to encourage and help many governments to implement the standard so that exchange would cover as many jurisdictions as possible (Urinov, 2015, pp. 17–19). In order to implement the CRS, approval was still needed at the level of the highest political factors, which in practice meant acceptance of the solutions by the leaders of the G20 countries. It was accomplished on November 15–16, 2014 at the Group's summit in Brisbane (OECD, 2016, p. 2).



Upon presenting the final version of the standard by the OECD and its approval by the finance ministers and G20 leaders, the next step was the signing of a multilateral intergovernmental agreement. This was necessary for individual countries to implement the principles set forth in the CRS into their domestic laws. It took place on October 29, 2014, during a meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes in Berlin. The Multilateral Competent Authority Agreement (CRS-MCAA) was signed by the members of 51 governments, 39 of which were represented by the relevant minister. The document consisted of four parts. The first one defined international legal framework for automatic information exchange. The signatories pledged to implement the rules into their domestic legal orders. It obliged national tax administrations to obtain information from their financial institutions and automatically exchange these data with other tax jurisdictions on an annual basis (OECD, 2014b, pp. 6–7). From the point of view of proper implementation of the regulations, the second part of the document was crucial. This was the aforementioned Standard for Automatic Exchange of Financial Account Information in Tax Matters. The document contained a set of due diligence rules to be followed for collecting and reporting information. Although it was adopted by the countries participating in the agreement, the implementation of the regulations contained therein was mostly shifted to domestic financial institutions – primarily banks. The main purpose of the CRS has become to determine a customer's tax residency. This then makes it possible to assess where their center of personal interest should be and where they should pay taxes. It is the responsibility of financial institutions to verify the customer, accept the statement of tax residency, aggregate data on the balances of accumulated funds in the accounts and report data to the national tax administration. The third part of the document contained comments and guidelines for interpreting various principles of the standard. It was a *de facto* set of guidelines and definitions, specifying how the agreement should be understood and implemented into national legal orders. Whereas, the last part referred to technical issues – providing guidance on the use of XML schema in terms of confidentiality, transmission and encryption of data when they are transmitted between tax authorities (OECD, 2014b, pp. 8–11).

The number of international law entities joining the CRS-MCAA has been increasing every year. In 2016, another 32 governments signed the agreement. According to data as of January 31, 2022, 112 tax jurisdictions have already become signatories (OECD, 2022a, pp. 1–4). However, an important issue for practical implementation of the agreement's principles was not only the signing of the CRS-MCAA, but, first of all, commencement of information exchange in accordance with adopted standard. Signatory states were given a period of several years to adapt and



amend their national laws so that institutions required to perform operational activities would have a legal basis for collecting, exchanging and reporting information. Despite the fact that most governments signed the agreement between 2014 and 2016, the practical commencement of information exchange took place in 2017, covering 49 entities under international law at the time – including all European Union countries, except Austria. The following year, another 51 tax authorities (including Brazil, Austria, Monaco, Israel, Canada, Japan) started exchanging information, bringing total number of tax jurisdictions participating in the system to 100 by the end of 2018. In 2019, Ghana and Kuwait joined the exchange, Nigeria, Oman and Peru joined it in 2020, and Albania, Ecuador and Kazakhstan in 2021. A total of 108 countries or dependent territories participated in the CRS by the end of 2021. Another 13 countries had expressed their readiness to join the agreement by 2024. Jamaica, Kenya, Maldives and Morocco are expected to commence reporting in 2022. Ukraine has also pledged to join the exchange by the end of at least 2023 (OECD, 2022b, pp. 1–2).

### **The problem with implementation of CRS by all tax jurisdictions**

The OECD is currently in talks with a group of a several countries about joining the CRS in the near future. However, as of January 5, 2022, 41 developing countries have not expressed interest in joining the agreement. Of the 108 jurisdictions that have implemented the CRS, only 34 are the developing countries (OECD, 2021b, p. 14). The “undeclared” group is dominated by the countries of sub-Saharan Africa and Central America, but it also includes 5 European states – Armenia, Belarus, Bosnia and Herzegovina, North Macedonia, and Serbia (OECD, 2022a, pp. 1–4). In general, the OECD and the Global Forum on Transparency and Exchange of Information for Tax Purposes emphasized in their documents the need for greater implementation of the CRS by developing countries. However, the problem is not just the reluctance of these countries to join the agreement, but primarily the lack of effective instruments to put data exchange into practice. Especially in poorer countries, with fewer financial resources and widespread corruption, private financial institutions have no sufficient tools to carefully supervise financial operations (Knobel & Meinzer, 2014, pp. 51–53). In response to these problems, the World Forum Secretariat has prepared a special action plan. The first step involves a general internal assessment of the country’s ability to meet the necessary requirements and put in place effective reporting mechanisms. Then, the developing country government, in agreement with the Secretariat, adopts a potential date of implementation of the

CRS. The next step involves a formal commitment to join the agreement and the initiation of internal actions to implement required legal and systemic changes. The final stage includes monitoring and evaluation by the World Forum Secretariat of implementation of necessary elements according to the agreed schedule. On the part of the Global Forum on Transparency and Exchange of Information for Tax Purposes, financial and technical assistance takes place (OECD, 2021b, p. 17). However, the question arises what benefits smaller and less developed countries can achieve. In general, from their point of view, the possibility of obtaining additional tax revenues by identifying their own citizens who illegally transfer their income is not as significant as in the case of highly developed countries. The scale of this problem in sub-Saharan African or Central American countries is not as big as in G20 members. In addition, the commencement of tax information exchange may discourage some foreign investors who have decided to locate the center of their personal interests in developing countries and, consequently, may lead to potential losses resulting from the outflow of capital of those who have their funds in the financial systems there. There is another important reason – the costs of implementation of the changes, which may prove to be relatively higher than in developed countries due to institutional and technical weaknesses in the financial system.

There is also a lot of controversy over the United States' failure to adopt the CRS. The U.S. position contradicts the principle of reciprocity. Once FATCA is implemented, foreign financial institutions are required to indicate the identity and amount of funds of individuals who would potentially have to settle with the U.S. tax administration. On the other hand, the failure to adopt CRS means that the U.S. government cannot force domestic banks to disclose information on the identity and resources of the customers with bank accounts in the United States. In practice, the U.S. receives information on the taxes paid and assets of its taxpayers in other countries, but does not provide equivalent information to other tax jurisdictions. While other countries are moving toward transparency, which was the main argument raised during the work on FATCA, the U.S. authorities are paying disproportionately less attention to obtaining data on the actual beneficiaries of the U.S. bank accounts. There are even arguments that the U.S. is slowly becoming the largest tax haven (Noked, 2019, pp. 118–133). The lack of CRS implementation is causing individuals and companies from countries that have implemented the standard to move to the United States. Some states, including Delaware and Wyoming, have a number of incentives that are being used by legal entities that want to reduce taxation or protect their assets from creditors. The United States appears to have used its strong position to unilaterally shape the obligations of other countries without reciprocity. A staunch opponent of the CRS has been President Donald

Trump's administration and politicians of the Republican Party. The 2020 elections has not changed the U.S. approach. The new administration of President Joe Biden avoids declarations on the adoption of the standard. They pay more attention to the idea of a new global tax for corporations that could more effectively counter tax optimization (Shipley, 2021).

The non-participation of all countries in the agreement certainly detracts from the efforts to make the verification system of dishonest taxpayers fully effective. They may continue to transfer funds to jurisdictions that do not participate in the CRS. On the other hand, the OECD provides information that indicates the effectiveness of the agreement. In the period between January 1 and December 31, 2018 (when 100 tax jurisdictions participated in data exchange), tax administrations exchanged information about 47 million bank accounts, which held assets worth some €5 trillion. The following year, the above figures doubled, with domestic tax administrations gaining access to data from 84 million accounts held abroad. These accounts held assets worth about €10 trillion. In 2020, 101 tax jurisdictions participating in the automatic exchange of information exchanged data on 75 million accounts, covering total financial assets of more than €9 trillion (OECD, 2021a, p. 12).

It is also emphasized that the CRS has fulfilled its preventive function by sending a warning signal to the individuals and businesses that plan unauthorized tax optimization. In the first years of the 21<sup>st</sup> century, financial assets in the so-called tax havens were growing rapidly, reaching a peak of \$1.6 trillion in 2008. According to the estimates, they decreased by \$551 billion between 2009 and 2019, a decline of 34%. It allowed for an additional €65 billion in global revenues on account of paid taxes, interest and penalties imposed between 2014 and 2020. Approximately €25 billion of this amount was revenue for developing countries' budgets (OECD, 2021a, p. 12). While the €65 billion figure may give the impression of the effectiveness of the CRS, it should be remembered that it covers a period of as much as six years, which is relatively short, given the number of tax jurisdictions involved in information exchange process. In addition, despite the OECD's assurances of effectiveness of automatic exchange of tax information, criticism of the current solution is growing in the public space and there are voices suggesting the need for CRS reform (Shaxson, 2019, p. 9).

## Summary

As technology advances, the frequency and complexity of international financial transactions increases. There is a general consensus that all income should be taxed entirely in the specific country. In order to increase the fairness of tax policy without

compromising the productivity of the global economy, tools such as the CRS are essential. By taking advantage of the instruments available through introduction of the standard, the likelihood of tax losses is lowered and the risk of transferring funds just to avoid taxation is reduced. Potential financial offenders are aware that bank secrecy does not exist to the same extent as in the past and the national tax administration can track their financial assets located abroad. The measures taken by the OECD are in the context of internationalization as tax avoidance and evasion, a problem that is part of a country's domestic environment, has been transferred to the international sphere. In this view, international institutions such as the OECD and the G-20 provide a platform for working out permanent changes in the international system, which is also in line with internationalization. There is now no longer a situation of complete lack of control over capital transfers implemented for the purpose of tax evasion. The undeniable advantage of the CRS is the standardization and simplification of information exchange processes, which translates into higher efficiency and lower costs for stakeholders. The proliferation of different and inconsistent models would potentially impose significant costs on both governments and financial institutions in order to collect and handle the necessary information. To answer the research question posed in the introduction, it should be emphasized that the process is not fully internationalized. Internal tax administrations are still responsible for collection of taxes. A common standard for exchange of financial information only makes it easier to verify dishonest taxpayers, and should be viewed as a support for internal national solutions. Full internationalization would mean implementation of the solutions to establish global taxes. Such solutions are not currently being designed, although ideas on this subject periodically appear in media discourse.

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