



**REPUBLIC OF THE MARSHALL ISLANDS**  
**MINISTRY OF FINANCE**  
P.O. BOX D  
MAJURO, MARSHALL ISLANDS, MH 96960

July 17, 2007

Mr. Angel Gurría  
Secretary-General  
OECD  
2 Rue André Pascal  
75775 Paris Cedex 16  
France

**Commitment of The Republic of the Marshall Islands**

Dear Mr. Secretary-General:

I am writing to you on behalf of the government of the Republic of the Marshall Islands (RMI) in connection with the OECD's work on harmful tax practices. The RMI has followed developments in this initiative very closely and has contributed to the Global Forum's assessment of the transparency and exchange of information practices of 82 countries.

The Marshall Islands wishes to be seen as a responsible international financial centre. As a result, the Marshall Islands has taken steps to comply with international standards and in particular has shown itself ready to co-operate in the fight against financial crimes such as money laundering. Our implementation of the new standards in this area has been recognized by international organizations such as the FATF. Indeed the RMI is an active member of the Asia/Pacific Group on Money Laundering and Egmont.

In recent discussions with the OECD, it has become apparent that, as a result of changes in our laws, the Marshall Islands already satisfies many of the standards that the OECD project promotes regarding transparency and exchange of information for tax purposes. In keeping with its policy of international cooperation, the Marshall Islands is committed to working with other countries to implement transparency and effective exchange of information for tax purposes. The Marshall Islands has had a tax information exchange agreement in effect with the United States since 1991 and Australia has recently made overtures concerning a similar Agreement. The Marshall Islands also stands ready to negotiate bilateral tax information exchange agreements with other OECD countries that will provide for effective exchange of information on request in criminal and civil tax matters in accordance with the principles reflected in the 2002 Model Agreement on Information Exchange on Tax Matters.

The Marshall Islands recognizes that for effective exchange of information for tax purposes to take place, it must take steps to ensure that its authorities have access to bank information as well as accounting and ownership information in respect of companies, partnerships, trusts and other

entities to the extent necessary to perform its obligations under a tax information exchange agreement. Details of these steps and a specific timetable will be agreed with the OECD Forum on Harmful Tax Practices.

Further, the Marshall Islands will not:

1. Introduce any new regime that would constitute a harmful tax practice under the OECD Reports.
2. Modify any existing regime for financial or other service activities in such a way that it would constitute a harmful tax practice under the 1998 OECD Report.
3. Strengthen or extend the scope of any existing measure that currently constitutes a harmful tax practice.

The RMI sees its cooperation with the OECD and its members as a partnership based on mutual respect and thus will protect its sovereignty, economic interests and fiscal autonomy in any future negotiations with the OECD and its members. It also shall be noted that the issue of a level playing field is critical to those interests. Therefore, this undertaking is based on the understanding that:

1. The RMI will not be included on any OECD list of uncooperative tax havens, nor shall it be subject to a coordinated framework of defensive measures by OECD countries especially bearing in mind that the cooperation requires confidence building and trust in the development of a fruitful relationship.
2. The RMI will be invited to participate fully and on an equal basis in the Global Forum or any similar grouping in the formulation of international standards of transparency and effective exchange of information applicable to the RMI.
3. With respect to exchange of information, the RMI reserves the right to decline a request for information if the disclosure of the information would be contrary to public policy or it is information which a country making the request cannot obtain under its own laws for purposes of the enforcement of its own tax laws. The RMI will not be required to collect taxes on behalf of foreign countries nor to institute legal proceedings for such collection.

We intend to make this letter of commitment public and would also welcome the OECD's release of the letter and removal of the Marshall Islands from the OECD list of uncooperative tax havens.

Sincerely yours,



Brenson S. Wase  
Minister of Finance  
Republic of the Marshall Islands