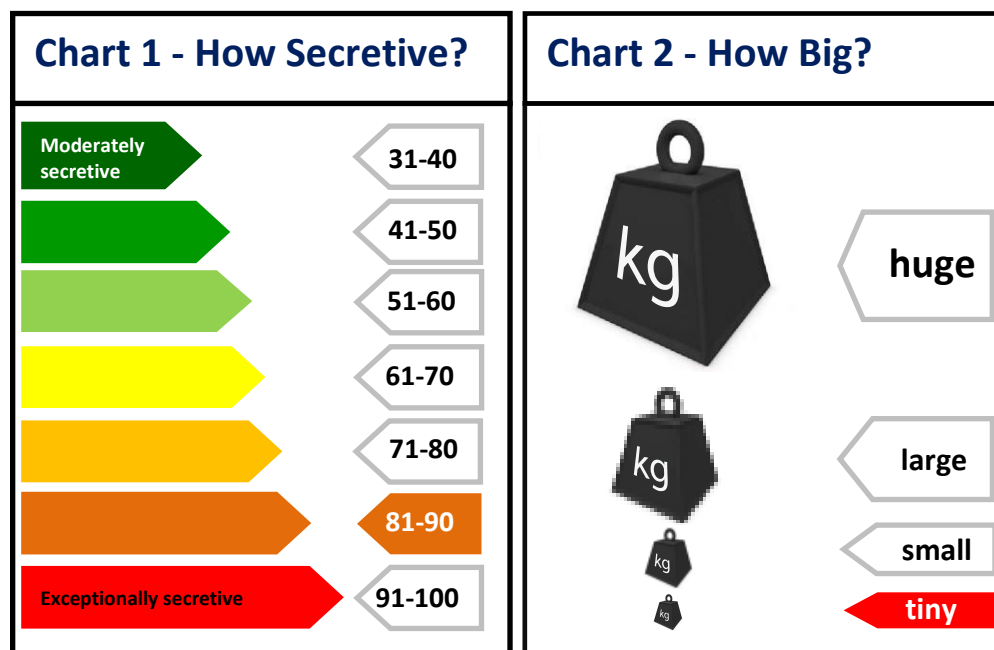


Report on Turks and Caicos Islands

Turks and Caicos is ranked at 39th position on the 2011 Financial Secrecy Index. This ranking is based on a combination of its secrecy score and a scale weighting based on its share of the global market for offshore financial services.

Turks and Caicos has been assessed with 90 secrecy points out of a potential 100, which places it towards the top end of the secrecy scale (see chart 1 below).

Turks and Caicos accounts for under 1 per cent of the global market for offshore financial services, making it a tiny player compared with other secrecy jurisdictions (see chart 2 below).

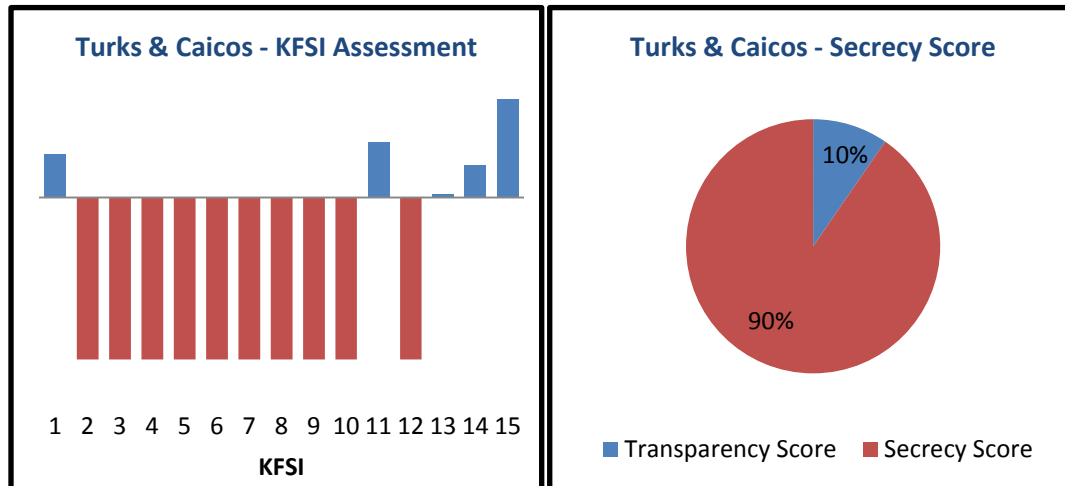


Next steps for Turks and Caicos Islands

Turks and Caicos' 90 per cent secrecy score shows that it must still make major progress in offering satisfactory financial transparency¹. If it wishes to play a full part in the modern financial community and to impede and deter illicit financial flows, including flows originating from tax evasion, aggressive tax avoidance practices, corrupt practices and criminal activities, it should take action on the points noted where it falls short of acceptable international standards. See below for details of Turks and Caicos' shortcomings on transparency. See this link <http://www.secrecyjurisdictions.com/kfsi> for an overview of how each of these shortcomings can be fixed.

Secrecy Scores

The secrecy score of 90 per cent for the Turks and Caicos Islands has been computed by assessing the jurisdiction's performance on the 15 Key Financial Secrecy Indicators, listed below.



The numbers on the horizontal axis of the bar chart on the left refer to the Key Financial Secrecy Indicators (KFSI). The presence of a **blue** bar indicates a positive answer, as does **blue** text in the KFSI list below. The presence of a **red** bar indicates a negative answer as does **red** text in the KFSI list. Where the jurisdiction's performance partly, but not fully complies with a Key Financial Secrecy Indicator, the text is coloured **violet** in the list below (combination of red and blue).

This paper draws on key data collected on the Turks and Caicos Islands. Our data sources include regulatory reports, legislation, regulation and news available at 31.12.2010². The full data set is available [here](#)³. Our assessment is based on the 15 Key Financial Secrecy Indicators (KFSIs, below), reflecting the legal and financial arrangements of the Turks and Caicos Islands. Details of these indicators are noted in the following table and all background data can be found on the [Mapping Financial Secrecy web site](#)⁴. This data is the basis on which the [Financial Secrecy Index](#)⁵ is compiled.

The Key Financial Secrecy Indicators and the performance of the Turks and Caicos Islands are:

TRANSPARENCY OF BENEFICIAL OWNERSHIP – Turks and Caicos Islands	
1.	Banking secrecy: Does the jurisdiction have banking secrecy? Turks and Caicos Islands does not adequately curtail banking secrecy
2.	Trust and Foundations Register: Is there a public register of Trusts and Foundations?

	Turks and Caicos Islands does not put details of trusts on public record
3.	Recorded Company Ownership: Does the relevant authority obtain and keep updated details of the beneficial ownership of companies? Turks and Caicos Islands does not maintain company ownership details in official records
KEY ASPECTS OF CORPORATE TRANSPARENCY REGULATION – Turks and Caicos Islands	
4.	Public Company Ownership: Does the relevant authority make details of ownership of companies available on public record online for less than US\$10? Turks and Caicos Islands does not require that ownership of companies is put on public record
5.	Public Company Accounts: Does the relevant authority require that company accounts are made available for inspection by anyone for a fee of less than US\$10? Turks and Caicos Islands does not require that company accounts be available on public record
6.	Country-by-Country Reporting: Are companies listed on a national stock exchange required to comply with country-by-country financial reporting? Turks and Caicos Islands does not require country-by-country financial reporting by companies
EFFICIENCY OF TAX AND FINANCIAL REGULATION – Turks and Caicos Islands	
7.	Fit for Information Exchange: Are resident paying agents required to report to the domestic tax administration information on payments to non-residents? Turks and Caicos Islands does not require resident paying agents to tell the domestic tax authorities about payments to non-residents
8.	Efficiency of Tax Administration: Does the tax administration use taxpayer identifiers for analysing information effectively, and is there a large taxpayer unit? Turks and Caicos Islands does not use appropriate tools for effectively analysing tax related information
9.	Avoids Promoting Tax Evasion: Does the jurisdiction grant unilateral tax credits for foreign tax payments? Turks and Caicos Islands does not avoid promoting tax evasion via a tax credit system
10.	Harmful Legal Vehicles: Does the jurisdiction allow cell companies and trusts with flee

	<p>clauses?</p> <p>Turks and Caicos Islands does allow harmful legal vehicles</p>
<p>INTERNATIONAL STANDARDS AND COOPERATION – Turks and Caicos Islands</p>	
11.	<p>Anti-Money Laundering: Does the jurisdiction comply with the FATF recommendations?</p> <p>Turks and Caicos Islands partly complies with international anti-money laundering standards</p>
12.	<p>Automatic Information Exchange: Does the jurisdiction participate fully in Automatic Information Exchange such as the European Savings Tax Directive?</p> <p>Turks and Caicos Islands does not participate fully in Automatic Information Exchange</p>
13.	<p>Bilateral Treaties: Does the jurisdiction have at least 60 bilateral treaties providing for broad information exchange, covering all tax matters, or is it part of the European Council/OECD convention?</p> <p>As of June 30, 2010, Turks and Caicos Islands had few tax information sharing agreements complying with basic OECD requirements</p>
14.	<p>International Transparency Commitments: Has the jurisdiction ratified the five most relevant international treaties relating to financial transparency?</p> <p>Turks and Caicos Islands has partly ratified relevant international treaties relating to financial transparency</p>
15.	<p>International Judicial Cooperation: Does the jurisdiction cooperate with other states on money laundering and other criminal issues?</p> <p>Turks and Caicos Islands partly cooperates with other states on money laundering and other criminal issues</p>

¹ Our definition of financial transparency can be found here:

<http://www.secrecyjurisdictions.com/PDF/FinancialTransparency.pdf>.

² With the exception of KFSI 13 for which the cut-off date is 30.6.2010. For more details, look at the endnote number 2 in the corresponding KFSI-paper here:

<http://www.secrecyjurisdictions.com/PDF/13-Bilateral-Treaties.pdf>.

³ That data is available here: http://www.secrecyjurisdictions.com/sj_database/menu.xml.

⁴ <http://www.secrecyjurisdictions.com>.

⁵ <http://www.financialsecrecyindex.com/>.