

Automatic Exchanges of Information and Offshore Tax Compliance: Evidence from Colombia*

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Abstract

This paper studies whether automatic exchange of information (AEOI) improves offshore tax compliance and how its effectiveness depends on enforcement and reporting coverage. We match FATCA and CRS microdata to Colombian tax returns and compare third-party reports with taxpayers' self-reported offshore financial assets. The matched data reveal substantial offshore wealth, much of it held in tax havens and through intermediary entities. Colombia's entry into the CRS increased self-reported offshore wealth through deterrence, accounting for 38% of the increase between 2015 and 2022; subsequent enforcement campaigns accounted for an additional 22–28%. We also document striking differences between CRS and FATCA. While CRS uncovers substantial offshore wealth, FATCA provides only limited visibility into U.S.-held assets: self-reported U.S. financial wealth exceeds the wealth implied by FATCA-reported income flows by more than elevenfold. Overall, AEOI can substantially improve offshore tax compliance when reporting systems provide comprehensive coverage and tax authorities can credibly enforce compliance. **JEL:** H24, H26, H31, K34

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1 Introduction

About 8% of global household financial wealth is held offshore (Faye et al., 2025). This wealth is highly concentrated at the top and has been difficult for tax authorities to observe (Guyton et al., 2023; Johannesen et al., 2023; Leenders et al., 2023; Londoño-Vélez and Ávila-Mahecha, 2021). Automatic exchange of information (AEOI) seeks to close this information gap by requiring jurisdictions to share data on foreign financial accounts. Its most ambitious initiative is the Common Reporting Standard (CRS), implemented by more than 100 jurisdictions, including key tax havens. By contrast, the United States has not joined the CRS and instead exchanges more limited information under the Foreign Account Tax Compliance Act (FATCA).

Whether AEOI reduces offshore tax evasion is a central question for revenue collection and tax progressivity. Existing evidence suggests that AEOI’s effectiveness depends on reporting scope, participating jurisdictions, and domestic enforcement (Alstadsæter et al., 2018; Alstadsæter et al., 2023; Johannesen and Zucman, 2014). In particular, the absence of the U.S. from the CRS and FATCA’s limited reporting scope may leave important blind spots in the global information-sharing architecture (Casi et al., 2020; De Simone and Stomberg, 2023; O’Reilly et al., 2019).

This paper examines the effectiveness of the CRS and FATCA in Colombia, where taxpayers are taxed on worldwide wealth and must report foreign assets by jurisdiction (Londoño-Vélez and Ávila Mahecha, 2025), providing a unique setting to study how reporting scope, participating jurisdictions, and enforcement shape tax compliance. We link individual-level CRS and FATCA reports to Colombian tax returns, comparing third-party reports with taxpayers’ self-reported offshore assets. These linked data allow us to characterize offshore wealth, quantify reporting gaps, and identify the causal effects of AEOI-based enforcement on tax compliance.

Our first contribution is to document both the reach and the limitations of AEOI in uncovering offshore wealth. As of 2021, AEOI data capture offshore wealth equivalent to 7.4% of Colombia’s GDP. About half is owned by households, directly or indirectly through passive non-financial entities (NFEs) such as trusts and investment vehicles; the remainder is held by corporations. We focus on household wealth.

Offshore wealth is highly concentrated at the top. The probability of appearing in AEOI records increases from 5% among the top 1% to 42% among the top 0.01%, whose offshore assets account for roughly 10% of total wealth. Panama, Switzerland, the U.S., Bermuda, and the Bahamas account for nearly two-thirds of AEOI-reported wealth, while three-quarters is held in jurisdictions commonly classified as tax havens. The importance

of tax havens rises sharply with wealth: among the top 0.01%, nearly all offshore financial wealth is held in havens. Among the top 0.01%, roughly 40% of offshore wealth is held through trusts and passive NFEs. These patterns underscore the importance of beneficial ownership transparency for effective information exchange.

We next compare AEOI reports with self-reported offshore wealth. For CRS jurisdictions, aggregate third-party reports roughly match self-reported financial wealth, suggesting broad coverage of offshore assets. Yet aggregate agreement masks substantial individual-level discrepancies. Among the top 0.01%, 41% of taxpayers identified in CRS records report less offshore wealth than CRS reports, indicating substantial scope for enforcement.

The evidence for FATCA is markedly different. Across the wealth distribution, Colombians are much more likely to self-report U.S. assets than to appear in FATCA records, with the gap widening sharply at the top. Among the top 0.01%, taxpayers report twelve times more U.S. wealth than FATCA reveals. This pattern is consistent with FATCA's narrower scope, including its limited visibility into assets held through trusts, corporations, and other intermediary entities as well as weaker requirements for U.S. financial institutions to identify foreign beneficial owners. As a result, important blind spots remain in the global information-sharing architecture, particularly with respect to beneficial ownership transparency in the world's largest financial center.

Our second contribution is to evaluate how AEOI—and the enforcement policies that leverage it—affect taxpayer behavior. We first examine Colombia's entry into the CRS and the staggered adoption of the standard by partner jurisdictions. Mandatory foreign asset reporting began in 2015, providing the first systematic measure of offshore wealth. Self-reported wealth in tax havens rose abruptly when Colombia joined the CRS in 2017, even in jurisdictions such as Switzerland and Panama that did not begin exchanging information until later, suggesting anticipatory compliance ahead of information exchange. However, we find no response to the timing of information exchange by individual jurisdictions.

We next study the enforcement effects of AEOI. In 2019, the tax authority targeted taxpayers whose self-reported foreign assets diverged from AEOI records. Using a fuzzy regression discontinuity design (RDD), we find that letter recipients were 40 percentage points (p.p.) more likely to participate in a voluntary disclosure program (VDP), relative to a baseline participation rate of 7%, and primarily disclosed assets held in CRS tax havens. Overall, disclosed assets increased by 632%.

The effects persisted. Two years later, letter recipients remained 33 p.p. more likely to self-report foreign assets and disclosed substantially larger offshore holdings. Because the VDP offered repatriation incentives, recipients were 23 p.p. more likely to repatriate

foreign capital, relative to a baseline rate of 2%. We find no spillovers to non-AEOI assets, including real estate and financial assets in jurisdictions not yet exchanging information with Colombia. Together with the deterrence evidence, these findings suggest that taxpayers respond both to greater transparency and to the active use of third-party information in enforcement.

Overall, we estimate that the CRS and the policies built around it account for nearly two-thirds of the increase in self-reported offshore financial wealth between 2015 and 2022. Colombia’s entry into the CRS explains approximately 38% of the increase, while subsequent enforcement campaigns account for an additional 22–28%. Together, these findings suggest that AEOI can substantially improve offshore tax compliance, but only when tax authorities credibly enforce it.

Contributions to the literature. Our findings contribute to the growing literature on the effectiveness of AEOI. While earlier information-sharing agreements had limited effects (e.g., [Johannesen and Zucman, 2014](#); [Johannesen, 2014](#); [Menkhoff and Miethe, 2019](#)), the CRS represents a far more ambitious effort to curb offshore secrecy. Existing evidence suggests that the CRS has improved transparency, but important gaps remain. [Casi et al. \(2020\)](#) documents a decline in cross-border deposits in traditional tax havens following CRS adoption and a shift toward the U.S., which does not participate in the CRS. Similarly, [O’Reilly et al. \(2019\)](#) and [Beer et al. \(2019\)](#) identify the absence of the U.S. as a key weakness in the global information-sharing architecture. Consistent with these concerns, we show that FATCA captures only a small fraction of U.S.-held wealth, highlighting persistent blind spots in the global information-sharing architecture despite major improvements under the CRS.

Recent work linking AEOI records to tax microdata emphasizes that their impact depends on how tax authorities use them ([Alstadsæter et al., 2023](#); [Bomare and Collin, 2024](#)). Our paper contributes to this emerging literature, alongside contemporaneous work on Denmark ([Fejerskov Boas et al., 2024](#)), France ([Davoine et al., 2026](#)), and South Africa ([Larsen et al., 2026](#)).¹ The evidence is heterogeneous. Colombia helps reconcile these findings. In Denmark and France, AEOI generated large compliance gains through voluntary disclosures and increased reporting following information exchange, whereas in South Africa gains primarily arise after tax authorities actively use AEOI data for enforcement.²

¹[Baselgia \(2024\)](#) and [Londoño-Vélez and Tortarolo \(2025\)](#) show that VDPs introduced alongside the CRS can be effective, but do not leverage taxpayer-level CRS data to directly compare third-party reports with tax returns.

²In high-income countries, taxpayers also repatriated substantial amounts of offshore wealth. In contrast, evidence from Argentina and Brazil points to limited repatriation responses ([Bhering and Van Doornik, 2026](#); [Londoño-Vélez and Tortarolo, 2025](#)).

We find moderate deterrence following Colombia’s entry into the CRS, but compliance rises further after enforcement campaigns demonstrate that offshore information is actively used. Together, the evidence suggests that AEOI operates through both deterrence and enforcement, with its effectiveness depending as much on taxpayers’ expectations of enforcement as on the availability of third-party information.

2 Automatic Exchanges of Information and Data

Context on AEOI. Colombia began exchanging information with the U.S. under FATCA in 2016 (covering tax year 2015) and joined the CRS in 2017.³ Under the CRS, foreign financial institutions (FFIs) report information on accounts held by Colombian tax residents, including account balances, income flows, identifying information, and the controlling persons (CPs) of passive NFEs such as trusts. FATCA differs from the CRS in three important respects. First, the U.S. reports income flows but not account balances, requiring DIAN to impute asset values.⁴ Second, U.S. due diligence requirements for identifying foreign beneficial owners are less stringent. Third, FATCA has narrower coverage: it excludes passive NFEs, applies only to certain income-generating accounts, and is non-reciprocal. We return to these differences in Section 3.

Figure A.1 shows the expansion of AEOI coverage over time. Colombia first received CRS information from 40 jurisdictions in 2017. Coverage expanded rapidly thereafter, reaching more than 70 reporting jurisdictions by 2018 and 94 jurisdictions by 2022, including most major offshore financial centers.

Data availability and matching. We accessed all CRS and FATCA reports received by DIAN between 2017 and 2022, covering tax years 2016–2021. CRS reports include end-of-year account balances for account holders and CPs of passive NFEs with at least one Colombian CP. FATCA reports contain taxable income flows (e.g., interest and dividends) but not balances. We link these reports to tax return microdata using taxpayer identification numbers (TINs), names, dates of birth, and addresses (see Appendix B for details on the matching procedure and the assignment of assets to CPs). We combine the AEOI data with three administrative datasets. First, individual income tax returns (forms 210 for residents, 110 for non-residents, and 260 for those filing under the alternative minimum tax; 2015–2021) report taxpayers’ worldwide assets and liabilities at year-end. Second, foreign

³Law 1661/2013 and Resolutions 0078/2020 and 0044/2021.

⁴Because FATCA does not report account balances, DIAN estimates asset values by capitalizing reported income flows using the 100-year U.S. corporate bond yield curve. The capitalization rates were 4.79% in 2016, 4.68% in 2017, 4.58% in 2018, 4.14% in 2019, 3.41% in 2020, and 3.37% in 2021.

asset information returns (Form 160), filed since 2015, provide asset-level information on the type, location, and value of foreign assets as of January 1.⁵ Third, VDP returns (Form 445) identify previously hidden assets and liabilities disclosed during the 2019, 2020, and 2022 amnesties and, in 2019, include details on the location and characteristics of disclosed offshore assets.

Table A.1 summarizes the matching results. For tax year 2021, Colombia received AEOI reports on nearly 223,000 account holders, of whom 68% were successfully identified by DIAN. Match quality improved substantially over time as reporting completeness increased and DIAN's capacity to process AEOI data expanded. By 2021, nearly 60% of identified individuals were filing income tax returns in Colombia.⁶

3 What AEOI Reveals About Offshore Wealth

Size and Location of Offshore Financial Wealth Reported under AEOI. Table 1 reports offshore wealth disclosed to Colombian authorities through CRS and FATCA for tax year 2021. In total, AEOI data capture USD 21 billion in offshore wealth, equivalent to 7.4% of Colombia's GDP. Roughly half of this wealth is held by corporations, while the remainder is attributable to households, either directly or through passive NFEs.

Our analysis focuses on offshore financial wealth attributable to Colombian individuals and therefore includes assets held directly by individuals or indirectly through foreign passive NFEs, while excluding wealth held by Colombian corporations and Colombian NFEs, for which beneficial ownership is difficult to establish (see Appendix B). Under this definition, offshore financial wealth totals USD 8 billion, or 2.8% of GDP. Because AEOI does not cover all offshore assets (for instance, foreign real estate), this figure is a lower bound on Colombians' offshore wealth.

Offshore wealth is highly concentrated geographically. Three-fourths of household offshore wealth is located in jurisdictions commonly classified as tax havens (Tables 1 and A.3). Panama hosts the largest share of offshore wealth, followed by Switzerland, the U.S., Bermuda, and the Bahamas. The concentration in tax havens is particularly pronounced for indirectly held wealth, suggesting that offshore entities are disproportionately located in jurisdictions offering greater secrecy and tax-planning benefits.

⁵ The required level of detail depends on the value of foreign assets held and varied over time.

⁶ Appendix Table A.2 reports matching statistics separately for CRS and FATCA. Although missing TINs are more common in FATCA reports and FATCA does not include place of birth, FATCA account holders were easier to identify. By 2021, nearly 82% of FATCA account holders were successfully matched to Colombian taxpayers, compared with 68% under CRS. Moreover, matched FATCA account holders were over 30 p.p. more likely to file income tax returns than those identified through CRS.

According to FATCA data, the U.S. is the third-largest location of Colombian offshore household wealth. As discussed below, comparisons with self-reported foreign assets suggest that FATCA provides an incomplete picture of U.S.-held wealth. Two limitations are key. First, FATCA reports income flows rather than account balances, requiring DIAN to estimate wealth by capitalizing reported income. Because returns vary across and within asset classes, this procedure is inherently imprecise (Saez and Zucman, 2016; Smith et al., 2022). Second, unlike the CRS, FATCA does not identify the Colombian CPs of trusts and other passive NFEs, making indirectly held U.S. wealth difficult to observe. We return to these limitations below.

Who Owns Offshore Financial Assets? We next examine the distribution of offshore financial wealth across the Colombian wealth distribution. Using personal income tax returns, we rank individuals by net wealth (assets minus liabilities). Because all taxpayers report year-end wealth, we can analyze how the likelihood of appearing in AEOI reports varies with wealth.

Figure 1a shows that offshore wealth is highly concentrated at the top of the wealth distribution. Under CRS, the probability of being identified rises from negligible levels below the top 1% to 42% among the top 0.01% of adults. More than two-fifths of Colombians in the top 0.01%—roughly 3,500 individuals—appear in CRS records. Offshore wealth is increasingly held through passive NFEs at the top. Under FATCA, the probability of identification also rises with wealth, reaching 14% among the top 0.01%. Indirectly held U.S. wealth cannot be observed because FATCA does not identify CPs of passive NFEs.

Figures 1b–1f show that offshore participation and wealth become increasingly concentrated in tax havens as wealth rises. Among the top 0.01%, the probability of being reported by a tax haven is nearly four times that of being reported by a non-haven jurisdiction. Offshore wealth reaches nearly 10% of total reported wealth, with roughly 40% held through trusts and other passive NFEs. Nearly all offshore wealth at the top is located in tax havens, while offshore wealth in non-haven jurisdictions remains below 1% of total wealth throughout the distribution. These patterns highlight the central role of tax havens in the offshore portfolios of Colombia’s wealthiest households.

AEOI-Reported vs. Self-Reported Offshore Financial Wealth. Because Colombian taxpayers report foreign assets separately by country, we can directly compare AEOI disclosures with self-reported offshore wealth.

Figure 2 compares AEOI reports and self-reported foreign financial assets across the wealth distribution. For CRS jurisdictions, taxpayers are more likely to appear in third-

party reports than to self-report foreign financial assets. This gap narrows with wealth and largely disappears among the top 0.01%. Aggregate self-reported wealth in CRS jurisdictions roughly matches CRS-reported wealth, although this correspondence masks substantial individual-level discrepancies.⁷

The pattern for U.S.-held assets is starkly different. Individuals are substantially more likely to report U.S. financial assets on their tax returns than to be identified through FATCA, and the gap widens sharply with wealth. Among the top 0.01%, nearly 40% report owning U.S. financial assets, yet fewer than 15% appear in FATCA records. The discrepancy in asset values is even larger: taxpayers in the top 0.01% report approximately twelve times more U.S. wealth than Colombian authorities can infer from FATCA data. This discrepancy is not confined to the very top: in the aggregate, self-reported U.S. financial wealth is over eleven times larger than the wealth implied by capitalizing FATCA-reported income flows. These patterns suggest that FATCA provides only limited visibility into offshore wealth held in the U.S.⁸

Figure A.2 shows substantial heterogeneity behind these aggregate patterns. Under CRS, underreporting is common but declines with wealth, while overreporting becomes increasingly prevalent among the very wealthy. Among the wealthiest 0.01%, 41% report less wealth than recorded in CRS data, while 59% report amounts that match or exceed third-party information. On net, CRS reveals 0.9% of GDP in unreported financial wealth held offshore. Under FATCA, the opposite pattern emerges: overreporting rises sharply with wealth while underreporting remains uncommon. At the top of the wealth distribution, most taxpayers report owning substantially more U.S. wealth than FATCA reveals.

Why Does FATCA Miss So Much U.S. Wealth? The large gap between self-reported U.S. wealth and the amount inferred from FATCA data suggests that FATCA provides only limited visibility into assets held by Colombian residents in the U.S. The main limitation concerns beneficial ownership. Unlike the CRS, FATCA does not report the Colombian CPs of passive NFEs and imposes weak requirements on U.S. financial institutions to identify foreign beneficial owners behind U.S. entities. As a result, assets held through trusts, holding companies, and other intermediary structures are often invisible to foreign

⁷ Aggregate self-reported financial wealth in CRS jurisdictions equals 85% of CRS-reported wealth. Some of the remaining gap reflects the reporting threshold: foreign assets need only be reported once they exceed USD 25,000.

⁸ In Figure 2, dashed lines represent self-reported foreign financial assets, while solid lines include all foreign assets. Because non-financial assets account for only a small share of offshore wealth, they have little effect on the overall patterns. The main exception is the U.S., where very wealthy individuals are more likely to own real estate. Since foreign real estate is not covered by AEOI, it cannot explain the large gap between self-reported and FATCA-reported U.S. wealth.

tax authorities ([Cotorceanu, 2015](#)).⁹ Given the importance of indirect ownership elsewhere in the data, these limitations likely account for a substantial share of the observed discrepancy. Indeed, fewer than half of taxpayers who self-report U.S. financial assets are identified through FATCA. If indirect ownership arrangements are as prevalent in the U.S. as they are among the wealthiest offshore asset holders in our data, they could account for roughly half of the twelvefold gap between FATCA-implied and self-reported U.S. wealth.

A second limitation is that FATCA reports income flows rather than account balances. DIAN therefore estimates wealth by capitalizing reported income using the yield on 100-year U.S. corporate bonds, which averaged roughly 4% during our study period. While this introduces measurement error, capitalization errors cannot plausibly explain either the magnitude of the gap or its increase with wealth. Reconciling FATCA-implied and self-reported wealth among the top 0.01% would require a capitalization rate of about 0.6%, an implausibly low figure given evidence that rates of return rise with wealth ([Fagereng et al., 2020](#); [Smith et al., 2022](#)). If anything, higher returns among the wealthy imply that using a 4% rate is more likely to overstate than understate wealth at the top.

Taken together, these findings suggest that the large gap between FATCA-implied and self-reported U.S. wealth primarily reflects FATCA’s limited visibility into beneficial ownership and indirectly held assets rather than measurement error in the capitalization procedure. As a result, FATCA provides only limited support for countries seeking to identify and tax offshore wealth held in the world’s largest financial center.

4 Deterrence and Enforcement Effects of AEOI

4.1 Deterrence

Since 2015, Colombia has required taxpayers to report foreign assets on a country-by-country basis. We begin by examining how self-reported offshore wealth evolved around Colombia’s entry into the CRS in 2017. We then exploit variation in the timing at which partner countries began exchanging information with Colombia to assess whether taxpayers responded to the actual receipt of third-party information.

⁹The U.S. has never imposed stringent beneficial-ownership due diligence requirements on its own financial institutions for purposes of international tax information exchange. FinCEN’s 2018 Customer Due Diligence rule collects ownership information for anti-money-laundering purposes, but these data are not automatically exchanged with foreign tax authorities. [Cotorceanu \(2015\)](#) also notes that trusts administered by U.S. trustees often fall outside the information transmitted under FATCA.

Colombia’s entry in CRS in 2017 Figure 3 presents the number of taxpayers reporting foreign financial assets and the corresponding asset values in tax havens and non-haven jurisdictions between 2015 and 2022, excluding the U.S.¹⁰ Reporting in non-haven jurisdictions increased gradually over time. The number of taxpayers reporting offshore financial assets rose from roughly 2,000 in 2015 to 7,800 in 2022, while reported asset values increased from USD 400 million to USD 970 million. These trends may reflect growing awareness of reporting obligations and broader improvements in tax compliance.

In contrast, reporting in tax havens increased sharply in 2017, the year Colombia joined the CRS. Reported wealth in tax havens rose from approximately 1,500 USD million in 2016 to 4,500 USD million in 2017 and remained elevated thereafter. Figures 3c and 3d formalize this comparison in a difference in difference framework. Relative to non-havens, the number of taxpayers reporting assets in havens increased by 26% and reported asset values by 79% in 2017. These effects remained broadly stable thereafter. Table A.5 reports the corresponding estimates and robustness checks.

Several policy changes coincided with Colombia’s entry into the CRS, including the expiration of a voluntary disclosure program following the Panama Papers leak and the introduction of stricter penalties for failing to report offshore assets (Law 1819/2016). Consequently, these estimates should be interpreted as capturing the combined effects of CRS participation and contemporaneous policy changes.

Timing of partner countries’ entry into the CRS. While the preceding evidence suggests a substantial deterrence response around Colombia’s entry into the CRS, it does not reveal whether taxpayers responded to the actual receipt of third-party information from specific jurisdictions. To address this question, we exploit the staggered timing with which countries began exchanging information with Colombia (Figure A.1).

Figures A.4a and A.4b plot normalized trends in reported offshore wealth for the main CRS adoption cohorts (2017, 2019, and 2020). A striking feature of the data is that reporting rises sharply in 2017 across all cohorts. Colombians reported more wealth not only in Bermuda, which began exchanging information with Colombia in 2017, but also in Switzerland and Panama, which did not begin transmitting information until 2019 and 2020. This pattern is difficult to reconcile with responses to the actual receipt of third-party information and instead points to anticipatory compliance following Colombia’s entry into the CRS. Taxpayers appear to have responded to the prospect of increased transparency rather than to the precise timing at which jurisdictions began exchanging information.

We formalize this analysis using the staggered-adoption framework of Callaway and

¹⁰Figure A.3 includes the U.S. and reports aggregate taxpayers and asset values as a share of GDP.

Sant’Anna (2021), implemented using the `csdid` estimator (see Sant’Anna and Zhao, 2020). The estimator compares changes in reporting outcomes before and after a country begins exchanging information relative to countries that have not yet begun doing so.¹¹ Figures A.4c and A.4d present the resulting event-study estimates, while Table A.4 reports the underlying coefficients and robustness checks. We find no evidence that a country’s entry into information sharing affects either the number of taxpayers reporting offshore assets or the value of reported assets in that jurisdiction. The estimates are sufficiently precise to rule out increases larger than roughly 6% in the number of declarations, although the confidence intervals for reported asset values is wider.

Taken together, these findings suggest that Colombia’s entry into the CRS generated a substantial deterrence effect that operated through expectations of increased transparency rather than through the actual timing of information exchange by individual jurisdictions. The next subsection examines whether the subsequent use of AEOI data in enforcement actions generated additional compliance gains.

4.2 Enforcement

Colombia used AEOI data to identify taxpayers with potentially unreported foreign assets and encourage disclosure through a VDP and an enforcement campaign. In the summer of 2019, DIAN sent letters to individuals whose self-reported foreign assets differed from those reported under AEOI.¹² The letters specified the location and value of the discrepancies and invited taxpayers to regularize them through the VDP by September 25, 2019 (Figure A.5). That year, the VDP imposed a 13% penalty on the historical tax cost of disclosed assets, reduced by half if the assets were repatriated or invested in Colombia.

RDD. To identify recipients, DIAN compared CRS-reported account balances and FATCA-based balance estimates at the end of 2017 with taxpayers’ self-reported assets as of January 1, 2018 (available in July 2019, when the letters were sent). Taxpayers with discrepancies of at least 100 million pesos (USD 33,500) received a letter.¹³ This arbitrary threshold creates a fuzzy RDD comparing taxpayers just below and above the cutoff.

¹¹For these estimates to have a causal interpretation, not-yet-treated countries must provide a valid counterfactual for treated countries. This requires treatment to be irreversible, parallel trends absent treatment, sufficient not-yet-treated comparison countries, and the absence of spillovers across countries.

¹²Similar campaigns were conducted in 2020 and 2022. By contrast, the VDP implemented between 2015 and 2017—analyzed by Londoño-Vélez and Ávila-Mahecha (2021)—did not use AEOI data.

¹³Because FATCA does not provide account balances, DIAN estimated balances by capitalizing reported income flows using a 4.68% rate of return and an exchange rate of COP 2,984 per USD. Very few taxpayers were contacted based on FATCA discrepancies.

The data support the design’s validity. Figure A.6 shows no evidence of manipulation of the misreporting gap, and a density test yields a robust-corrected p -value of 0.752. Base-line characteristics also evolve smoothly around the threshold (Panel (d) of Table A.6). By contrast, treatment assignment changes sharply at the cutoff. As shown in Figure 4a, crossing the threshold increases the probability of receiving a letter by 67.4 p.p.¹⁴

Figure 4b shows that receiving a letter substantially increased VDP participation. The letter raised participation by 39.8 p.p., a 570% increase relative to the 8% participation rate just below the threshold. Figure 4c further shows that this response was driven primarily by disclosures of foreign assets, particularly in CRS-participating countries. The largest effects occur for financial assets held in CRS tax havens such as the Bahamas and Bermuda, where the probability of disclosure rises by 26.3 p.p.¹⁵ On average, reported assets in CRS countries increase by 42 million pesos (USD 14,000), while disclosed financial assets in CRS tax havens increase by 30 million pesos (USD 10,000). Total disclosed assets rise by 1.99 log points, equivalent to a 632% increase ($= (e^{1.99} - 1) \times 100$). Because the VDP encouraged repatriation, the probability of repatriating foreign capital rises by 22.5 p.p., compared with 2% among taxpayers just below the cutoff. Even so, participation remained costly: the letter increased disclosure penalties by nearly 200% ($= (e^{1.089} - 1) \times 100$).

The effects persist beyond the disclosure period. Panel (b) of Table A.6 shows that the letters increased the probability of filing a foreign asset return by 28.5 p.p. in 2019 and by 33.3 p.p. in 2020. Reported foreign assets in CRS countries also remain significantly higher in both years.

Notably, compliance gains are confined to assets covered by AEOI. Panel (c) of Table A.6 and Figure 4d show no evidence of spillovers to non-financial assets or to financial assets held in jurisdictions that had not yet shared information with Colombia, including Panama and Switzerland. Together with the event-study evidence, these results suggest that AEOI affects compliance through both deterrence and enforcement. Taxpayers respond not only to the prospect of increased transparency, but also to the active use of third-party information by the tax authority.¹⁶

¹⁴Some individuals below the threshold received letters because they appeared in the Panama Papers, earned income from controlled foreign corporations, held debts linked to a foreign ID, or exhibited discrepancies between self-reported and third-party-reported domestic wealth.

¹⁵ Panama and Switzerland had not yet shared CRS information with Colombia by 2017 and therefore could not be targeted using third-party reports.

¹⁶We find suggestive evidence that highly specific enforcement notices may have unintended consequences. Figure A.7 shows that receiving a letter increases VDP participation and the likelihood of disclosing at least the misreporting gap identified by DIAN (Panel a). However, conditional on participating, recipients are less likely to disclose amounts beyond this gap. The RD coefficient is negative, although sensitive to bandwidth choice. One interpretation is that taxpayers use the information in the letters to infer the extent of the tax authority’s knowledge. Revealing what the authority knows may also reveal what it does not know.

Difference-in-Differences. Because the RD identifies effects for taxpayers near the discrepancy threshold and only among individuals successfully matched by DIAN in 2019, we complement it with a DiD design that exploits subsequent improvements in DIAN’s ability to match AEOI reports to domestic taxpayers (Appendix B.1). The design compares taxpayers with discrepancies above COP 100 million who were identified in 2019 and were therefore more likely to receive a letter with otherwise similar taxpayers who met the same criteria but were only identified in later years.

Figure A.8a plots the probability of filing a foreign asset return between 2015 and 2021, while Figure A.8b presents the corresponding event-study coefficients. Prior to 2019, both groups exhibit similar reporting trends. Following the enforcement campaign, however, reporting rises sharply among taxpayers identified by DIAN while remaining largely unchanged among the comparison group. The gap exceeds 10 p.p. in 2019 and persists at a similar level two years later. These results closely mirror the RDD estimates and suggest that the compliance effects of the letter campaign extend beyond taxpayers located near the discrepancy threshold.

4.3 Quantifying the Contribution of CRS Deterrence and Enforcement

The previous subsections showed that taxpayers responded both to Colombia’s entry into the CRS and to the subsequent use of AEOI data in enforcement campaigns. We now use these estimates to assess the relative importance of each channel. Between 2015 and 2022, self-reported offshore financial wealth in CRS countries increased sixfold, from 3,600 to 22,200 billion constant pesos (USD 1.5 billion, or 0.6% of GDP, to USD 5.5 billion, or 2.0% of GDP).¹⁷ Using back-of-the-envelope calculations, we estimate that CRS-related deterrence and enforcement effects together account for roughly 60–65% of this increase.

To quantify deterrence, we use the difference-in-differences estimates comparing tax havens and non-haven jurisdictions from Section 4.1. The estimated coefficient implies that Colombia’s entry into the CRS increased self-reported offshore financial wealth in havens by about 92% relative to 2016.¹⁸ Applying this effect to the 2016 stock of self-reported offshore wealth suggests that deterrence accounts for roughly 38% of the total increase in reported offshore wealth reporting between 2015 and 2022.¹⁹ This estimate is likely conser-

¹⁷Including the U.S. and countries that never participated in the CRS, self-reported offshore financial wealth increased from 7,800 to 42,300 billion constant pesos between 2015 and 2022 (USD 3.2 billion, or 1.2% of GDP, to USD 10.4 billion, or 3.8% of GDP).

¹⁸Using the coefficient in Column 1 of Table A.5, Panel (a), equal to 0.65, the implied increase is $e^{0.65} - 1 \approx 92\%$.

¹⁹Total self-reported financial wealth in CRS countries increased from 3,600 billion pesos in 2015 to 22,200 billion in 2022, an increase of 18,600 billion pesos. Applying the estimated 92% increase to the 2016 stock of 7,600 billion pesos implies that CRS entry accounts for roughly 38% of the overall increase.

vative if offshore evasion also occurred in non-haven CRS jurisdictions, although contemporaneous events such as the Panama Papers revelations and stricter reporting penalties may have amplified the observed response.

Estimating the aggregate contribution of enforcement requires extrapolating the local treatment effect identified by the RD. Specifically, we assume that (i) the RD estimate applies more broadly across the distribution of offshore wealth discrepancies, and (ii) subsequent enforcement campaigns had effects similar to those observed in 2019. To remain conservative, we attribute enforcement effects only to discrepancies newly revealed as additional CRS countries—including key tax havens such as Switzerland and Panama—began exchanging information with Colombia.

The RD estimates imply that the enforcement campaign induced taxpayers to disclose 42–53% of the previously unreported wealth identified by DIAN.²⁰ Applying these estimates to the stock of previously undisclosed wealth exposed by successive rounds of CRS information exchange implies that the enforcement campaigns generated disclosures of 4,100–5,200 billion pesos in offshore wealth.²¹ This corresponds to approximately 22–28% of the total increase in offshore wealth reporting between 2015 and 2022.

Taken together, these calculations suggest that CRS-related policies account for roughly 60–65% of the increase in offshore wealth reporting between 2015 and 2022. Deterrence associated with Colombia’s entry into the CRS explains about 38% of the increase, while enforcement campaigns explain another 22–28%. These estimates are approximate. The deterrence estimates may partly capture contemporaneous policy changes, while the enforcement estimates extrapolate local treatment effects and omit intensive audits and other follow-up activities.

5 Conclusion

Our findings highlight both the promise and the remaining limitations of AEOI. The linked AEOI data reveal substantial offshore financial wealth concentrated among the wealthiest households, much of it held in tax havens and through intermediary entities, underscoring the importance of beneficial ownership transparency.

²⁰This range depends on whether the treatment effect is estimated in levels or logs. The level specification implies an increase of 41.7 million pesos. The log specification implies a 310% increase ($e^{1.41} - 1 \approx 310\%$) relative to the 17 million pesos disclosed by the control group, corresponding to approximately 53 million pesos, or 53% of the 100 million-peso cutoff.

²¹The relevant stock of previously undisclosed wealth equals 10,493 billion pesos across the 2019, 2020, and 2022 campaigns. Applying the estimated disclosure rate of 42–53% to the 94% of undisclosed wealth targeted by the campaigns yields 4,143–5,228 billion pesos.

We show that AEOI can substantially improve offshore tax compliance. Colombia's entry into the CRS generated a sizable deterrence effect, while subsequent enforcement campaigns produced additional and persistent disclosure. Together, these channels account for roughly two-thirds of the increase in self-reported offshore financial wealth between 2015 and 2022, suggesting that information exchange is most effective when tax authorities actively use the information they receive.

Important challenges remain. Although our analysis focuses on Colombia, the challenges we identify are inherent to international information-sharing regimes. Roughly one-third of taxpayers appearing in CRS records cannot be identified, and many of those who are identified continue to underreport offshore assets, leaving at least 0.9% of GDP in offshore financial wealth undisclosed. Major blind spots also persist in the global information-sharing architecture. In particular, self-reported U.S. financial wealth is over eleven times larger than the wealth implied by capitalizing FATCA-reported income flows, suggesting that assets held in the world's largest financial center remain only partially visible to tax authorities. The next frontier for offshore tax enforcement is therefore not only expanding international information exchange, but also strengthening beneficial ownership transparency and ensuring that tax authorities can effectively identify taxpayers and act on the information they receive.

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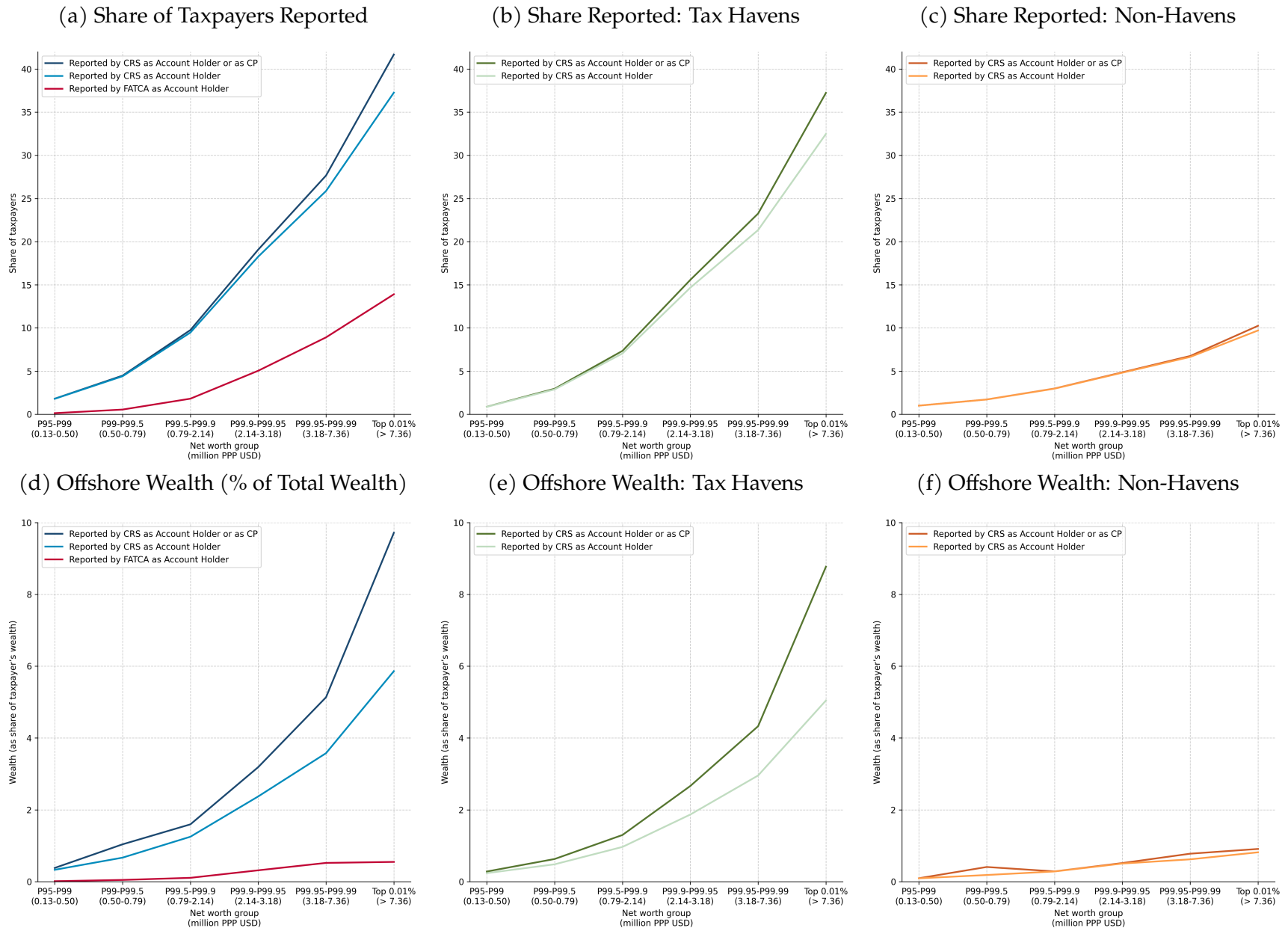
Figures and Tables

Table 1: Distribution of Wealth and Accounts Reported by AEOI (FY 2021)

	Offshore Financial Assets					Number of Accounts Reported				
	Households		Unassigned	Firms	Total	Households		Unassigned	Firms	Total
	Directly	Foreign Passive NFEs	Colombian Passive NFEs	Other Org.		Directly	Foreign Passive NFEs	Colombian Passive NFEs	Other Org.	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<i>Total</i>										
USD million	5,608	2,522	2,660	10,940	21,730	359,037	3,927	2,539	9,320	374,823
% of GDP	1.9%	0.9%	0.9%	3.7%	7.4%					
<i>Tax havens vs. non-tax-haven jurisdictions (share of total)</i>										
Tax havens	66.4%	89.2%	96.0%	24.5%	51.6%	29.3%	84.5%	95.6%	65.8%	31.2%
Non tax havens	33.6%	10.8%	4.0%	75.5%	48.4%	70.7%	15.5%	4.4%	34.2%	68.8%
<i>Top 10 reporting countries (share of total)</i>										
Panama	30.2%	40.0%	86.0%	13.8%	29.9%	8.6%	44.4%	83.2%	45.6%	10.4%
Switzerland	12.9%	27.2%	3.1%	0.8%	7.3%	1.8%	16.1%	2.2%	1.6%	1.9%
United States	7.6%	-	-	70.6%	37.5%	4.5%	-	-	22.7%	4.9%
Bermuda	5.3%	1.7%	0.2%	0.1%	1.6%	4.7%	0.6%	0.8%	1.8%	4.5%
Bahamas	4.9%	2.9%	0.0%	0.1%	1.6%	0.8%	1.7%	0.2%	0.1%	0.7%
Spain	4.7%	0.5%	0.1%	1.0%	1.8%	13.8%	7.2%	1.1%	3.3%	13.4%
Canada	4.3%	5.7%	1.6%	0.4%	2.2%	3.4%	2.0%	1.7%	0.6%	3.3%
Isle of Man	3.6%	0.5%	0.3%	0.0%	1.0%	0.8%	0.1%	0.4%	0.3%	0.8%
Germany	3.1%	0.6%	0.0%	0.3%	1.0%	3.0%	1.8%	0.0%	1.1%	2.9%
Cayman Islands	2.7%	5.2%	3.2%	7.0%	5.2%	0.6%	9.5%	4.5%	5.9%	0.9%
Other countries	20.6%	15.7%	5.4%	6.0%	10.8%	58.1%	16.6%	6.0%	16.9%	56.3%

Notes: This table summarizes offshore financial wealth and the number of accounts reported under AEOI for tax year 2021. Offshore wealth includes assets reported through CRS and, for the U.S., estimates based on FATCA using reported payments and an assumed 3.37% rate of return. In the first row, Columns (1)–(5) show total wealth (in millions of USD), while columns (6)–(10) show the number of reported accounts. Wealth and accounts are disaggregated into four categories: (i) assets held directly by households; (ii) assets held indirectly by households through foreign passive NFEs, including trusts; (iii) assets held by firms that are not passive NFEs; and (iv) unassigned accounts whose holders are Colombian passive NFEs. The list from [Fejerskov Boas et al. \(2024\)](#) was used to classify countries as tax havens and non-tax havens. *Source:* Authors' calculations based on CRS and FATCA data.

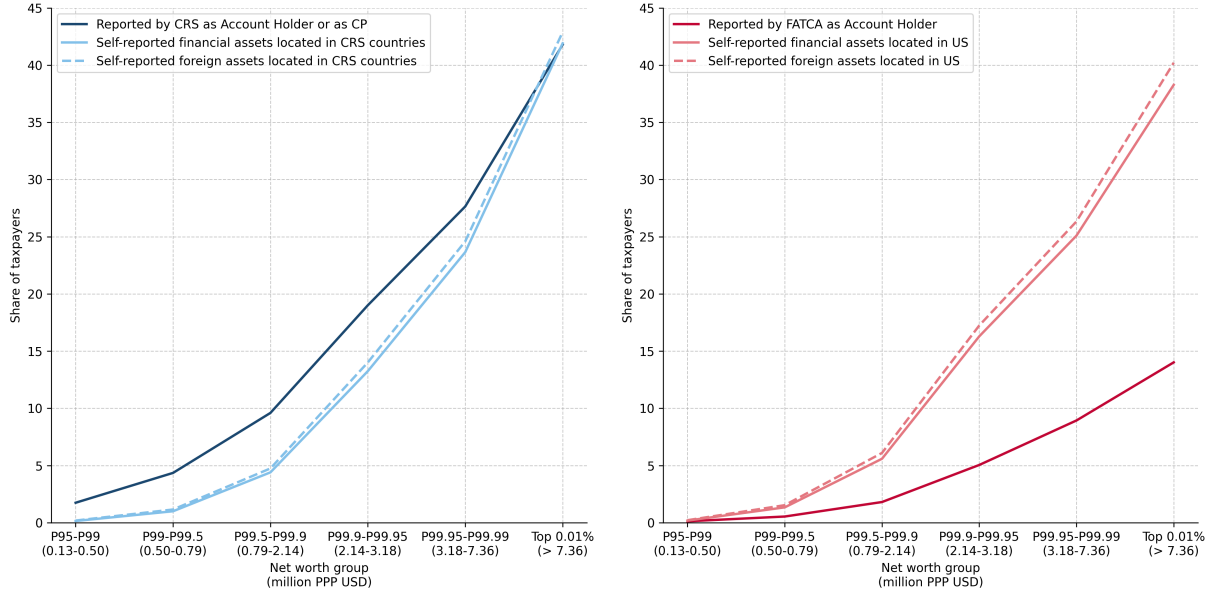
Figure 1: AEOI Reporting by Wealth Groups (FY 2021)



Notes: This figure plots the share of taxpayers with a foreign account reported through AEOI by percentile of the account owner's (or CP's) net wealth. Panel (a)–(c) shows the shares of taxpayers in all jurisdictions, tax havens, and non-haven jurisdictions, respectively, where tax havens are defined using [Fejerskov Boas et al. \(2024\)](#). Panels (c)–(f) show the corresponding shares of offshore wealth. For CRS, results are reported separately for all assets and for assets held indirectly. Sources: Authors' calculations based on CRS, FATCA, F160, F210, F110, and F160 data.

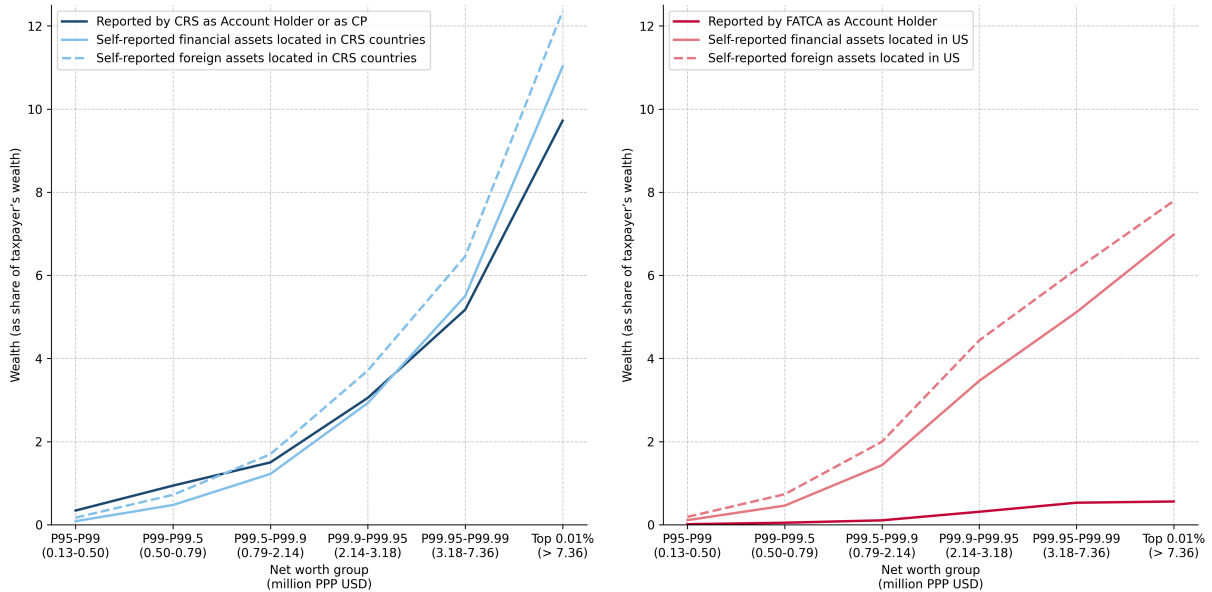
Figure 2: Self- vs. Third-Party Reported Foreign Financial Assets by Wealth Groups

(a) Share of Taxpayers: CRS vs. Self-Reports (b) Share of Taxpayers: FATCA vs. Self-Reports



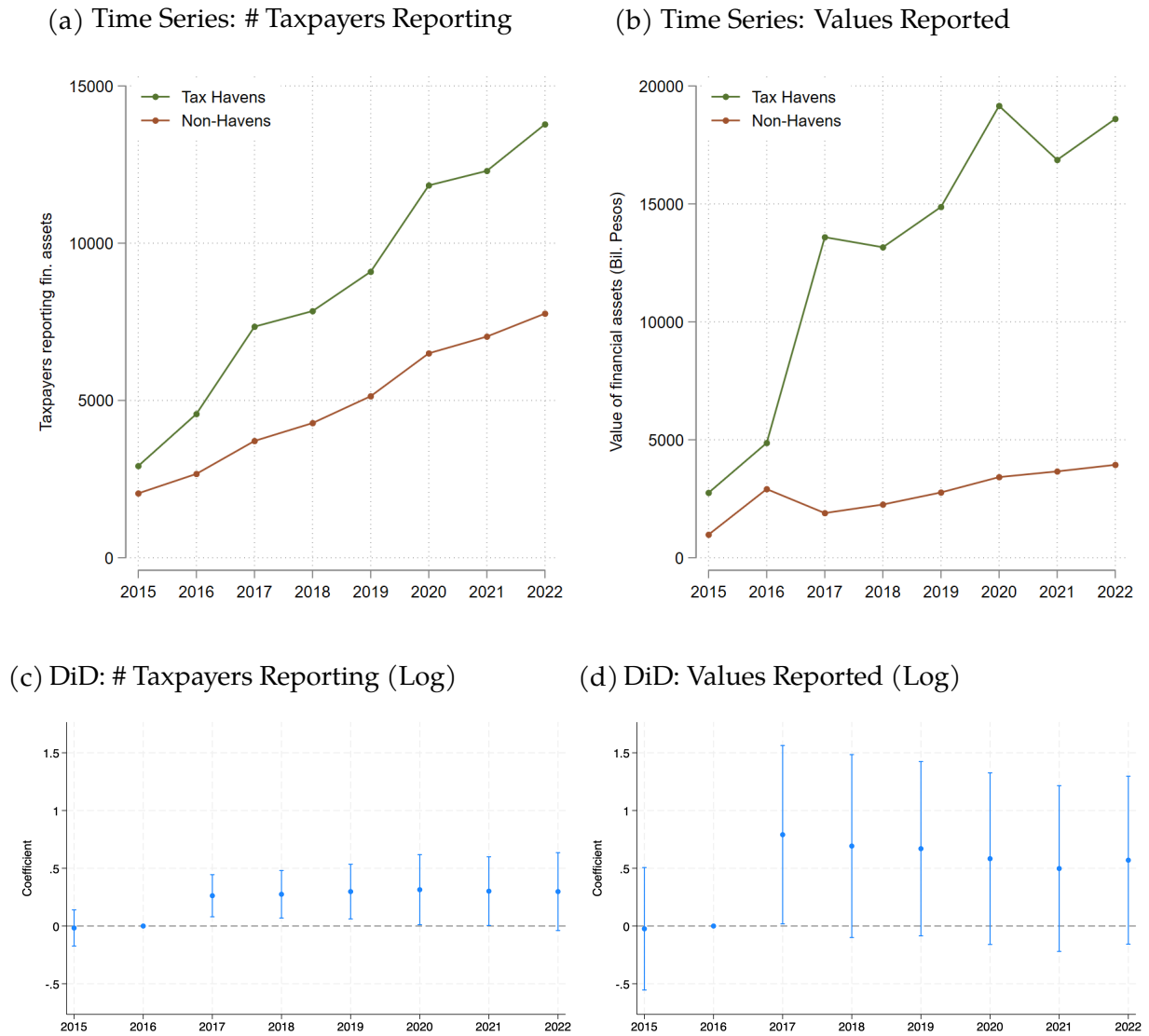
(c) Offshore Wealth (% of group's total): CRS vs. Self-Reports

(d) Offshore Wealth (% of group's total): FATCA Estimate vs. Self-Reports



Notes: This figure compares self-reported foreign financial assets with third-party data from CRS and FATCA for tax year 2021. Panels (a) and (b) show the share of taxpayers with assets in CRS countries and the U.S., respectively. Panels (c) and (d) show the average share of net wealth held abroad in each group. The CRS line (dark blue) in Panels (a) and (c) includes both assets held directly and those held indirectly through passive NFEs where individuals are CPs. The FATCA line (red) in Panels (b) and (d) includes only U.S. financial assets held directly, estimated by capitalizing FATCA-reported income flows. Self-reported data distinguish financial assets (solid light lines) from total foreign assets (dashed light lines). Source: Authors' calculations based on CRS, FATCA, F160, F210, F110, and F160 data.

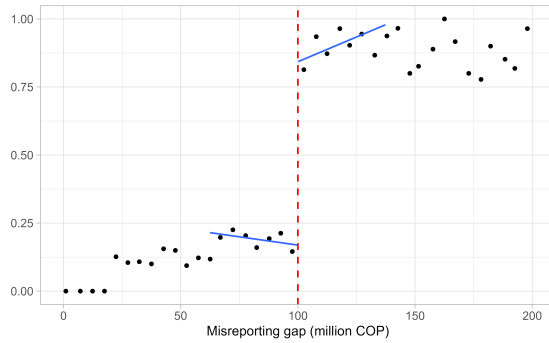
Figure 3: Evolution of Self-Reported Foreign Financial Assets



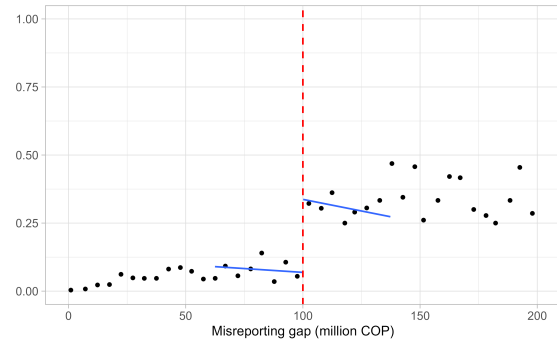
Notes: Panels (a) and (b) show, respectively, the number of taxpayers reporting foreign financial assets in havens and non-haven jurisdictions and the reported values from tax year 2015 to 2022. This excludes the U.S. Panels (c) and (d) display the difference in reporting between havens and non-havens before and after 2017, using the definition of tax havens from the paper by [Tørsløv et al. \(2022\)](#). The regressions include all countries with at least 15 taxpayers reporting as of 2016. Further results and robustness are displayed in Table A.5. Source: Authors' calculations based on F160 data.

Figure 4: RDD: The Impact of Enforcement Letters Leveraging AEOI Data

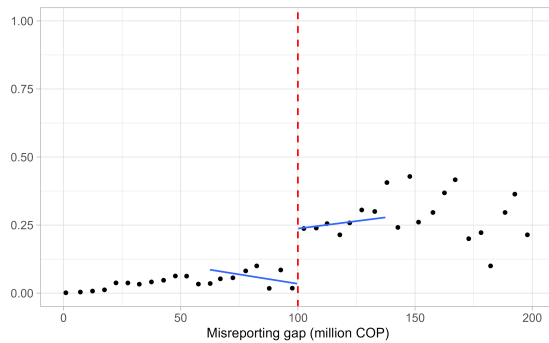
(a) Sent Enforcement Letter (1st Stage)



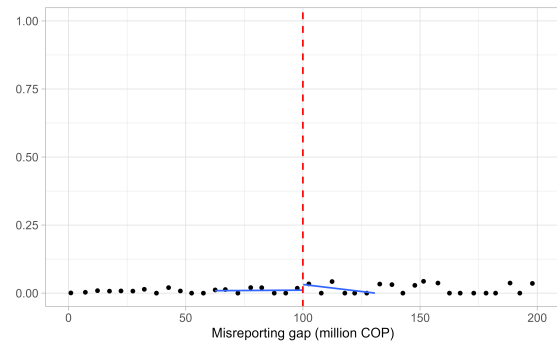
(b) Probability of Participation in VDP



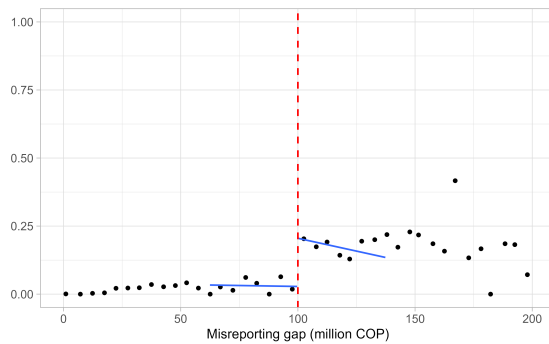
(c) Disclosed Assets in CRS Jurisdiction



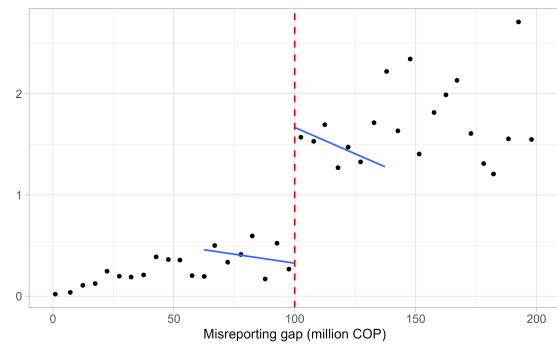
(d) Disclosed Assets in Non-CRS Jurisdiction



(e) Disclosed Assets in CRS Tax Haven



(f) Disclosed Assets Value (Log COP)

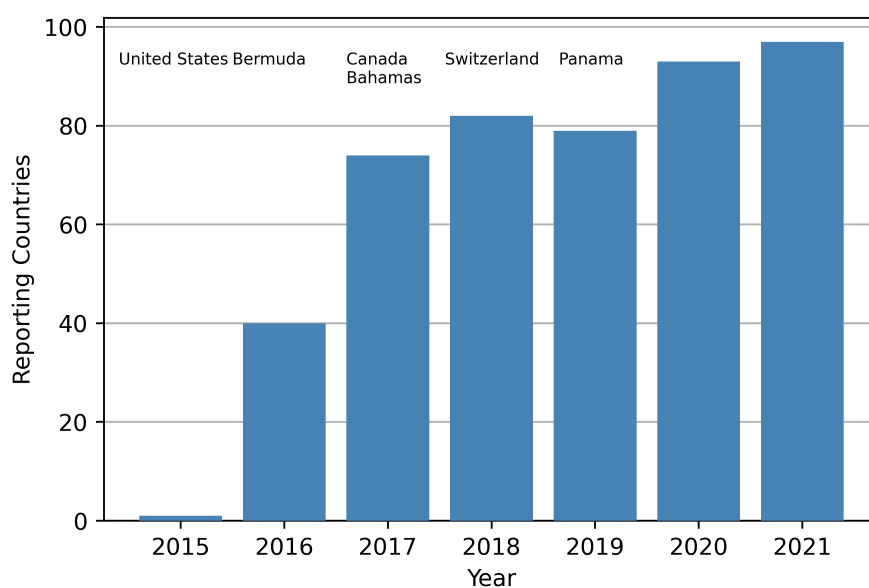


Notes: This figure illustrates the effect of DIAN's enforcement letter on taxpayer behavior. Each panel plots a different outcome against the misreporting gap between self-reported foreign assets (F160) and third-party reports (AEOI). For example, Panel (a) shows that taxpayers with a discrepancy exceeding 100 million pesos (USD 33,500) were 67.4 p.p. more likely to be sent a letter, while Panel (b) shows a discontinuous increase in participation in the 2019 VDP. RD estimates and standard errors are reported in Table A.6. *Sources:* Authors' calculations based on F160, F445, CRS, and FATCA data.

Online Appendix

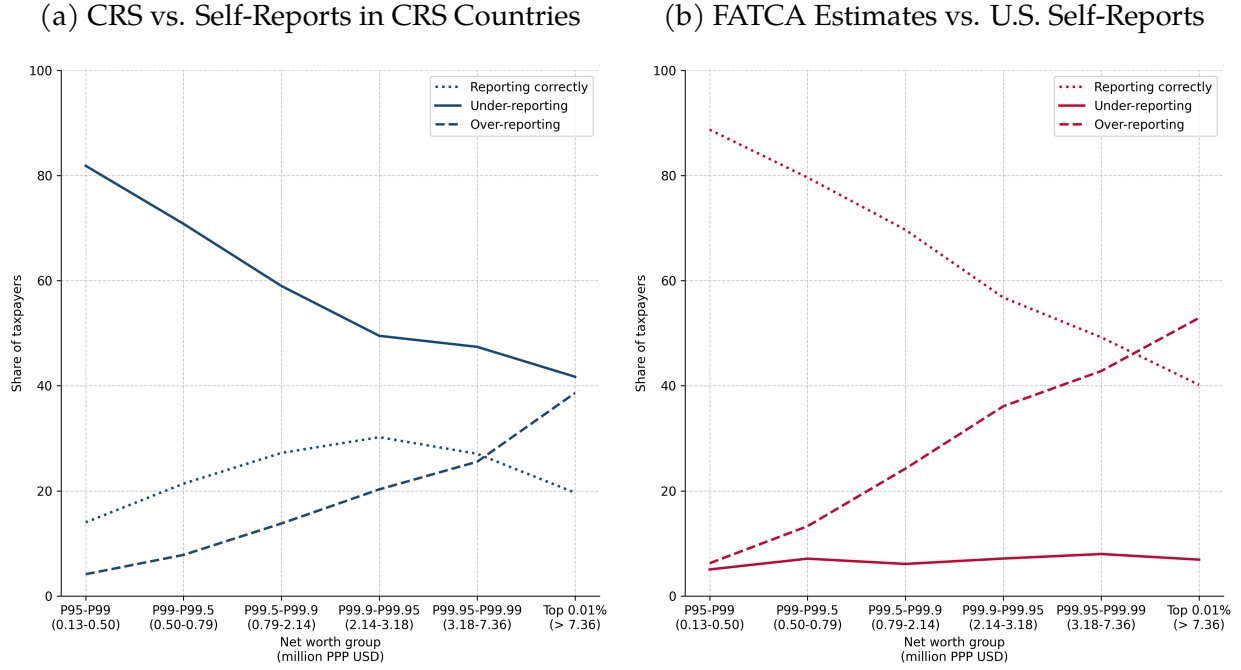
A Additional Figures and Tables

Figure A.1: The expansion of AEOI in Colombia over time: coverage by fiscal year



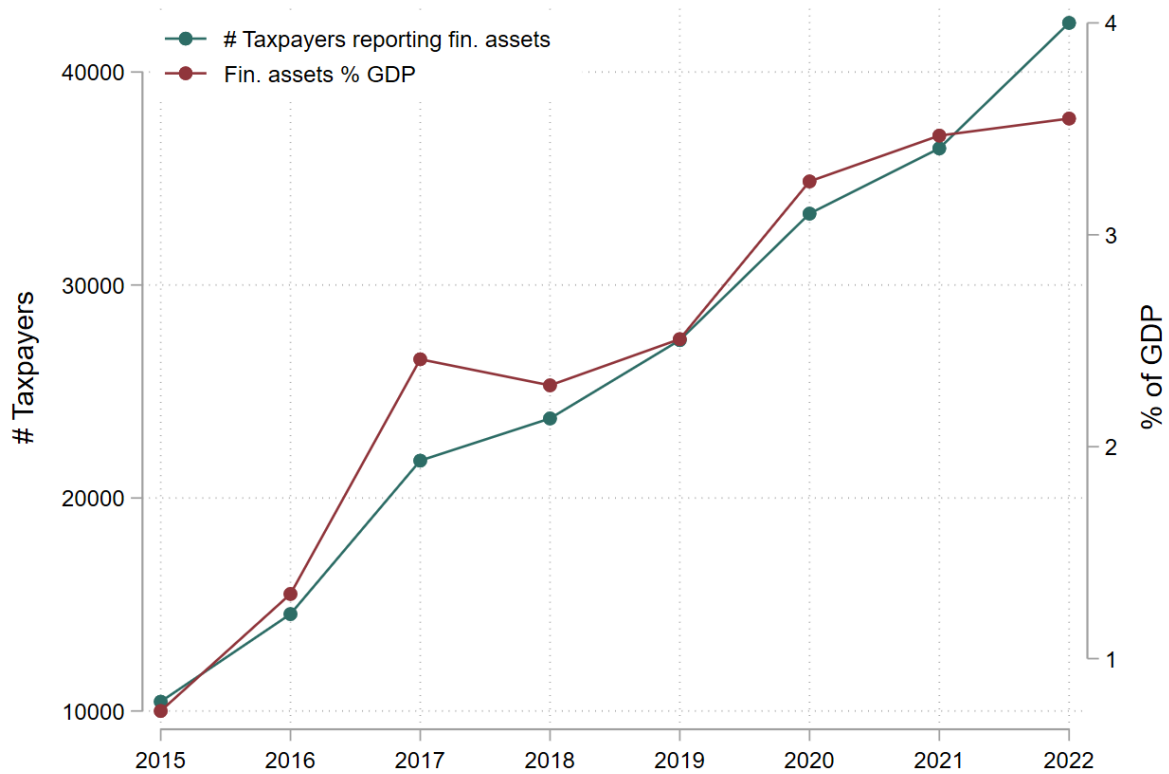
Notes: This figure shows the number of countries reporting financial information on Colombian's financial accounts in their country by fiscal year. DIAN receives the information in September of the following year. *Sources:* Authors' calculations based on CRS and FATCA data.

Figure A.2: The Gap Between Self- vs. Third-Party-Reported Foreign Financial Assets



Notes: This figure shows the gap between self- and third-party-reported foreign financial assets across wealth groups in tax year 2021. Panel (a) shows, by wealth group, the share of individuals whose foreign financial assets reported under CRS (held directly or indirectly through foreign passive NFEs) are higher (solid line), lower (dashed line), or roughly equal (dotted line, within $\pm 10\%$) to their self-reported financial assets in CRS countries. Panel (b) presents the same comparison for FATCA, based on reported payments and an assumed 3.37% rate of return. The figure includes only individuals whose CRS-reported or FATCA-estimated wealth exceeds the filing threshold for F160 ($\approx$ USD 25,000). *Sources:* Authors' calculations based on CRS, FATCA, F160, F210, F110, and F260 data.

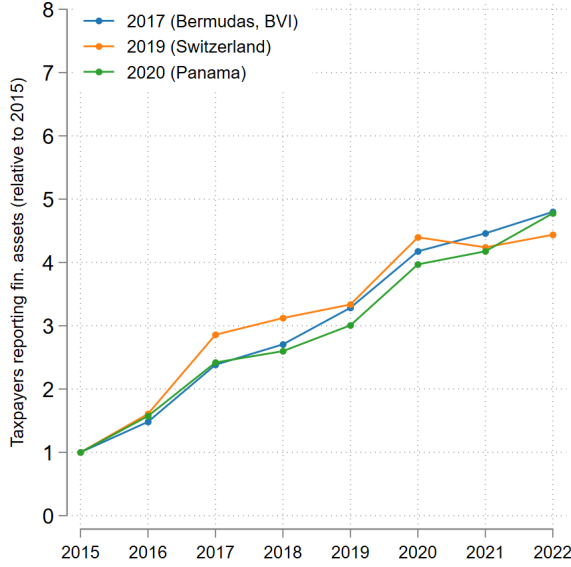
Figure A.3: Evolution of Self-Reported Foreign Financial Assets (totals)



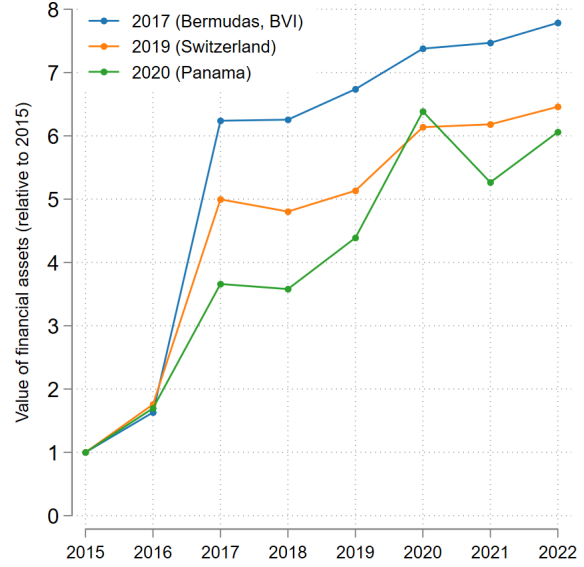
Notes: This figure shows the number of taxpayers reporting foreign financial assets and the reported values in all jurisdictions (the U.S. included) as a percentage of Colombian GDP from tax year 2015 to 2022. *Sources:* Authors' calculations based on F160 data; National Accounts, DANE.

Figure A.4: Time series for the key CRS entry cohorts and staggered event study

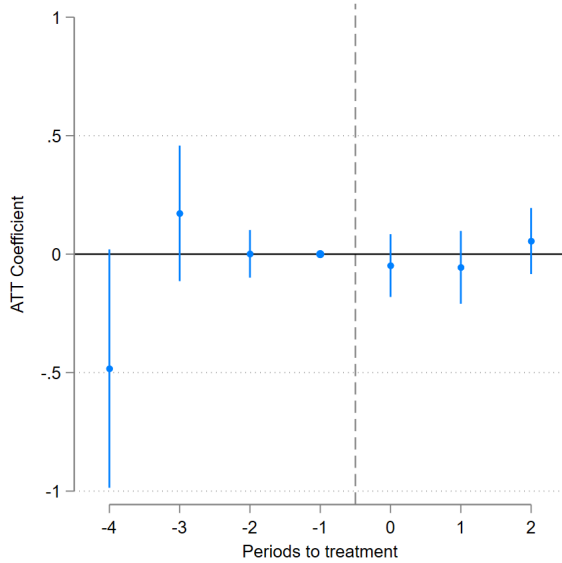
(a) # Taxpayers (2015 baseline)



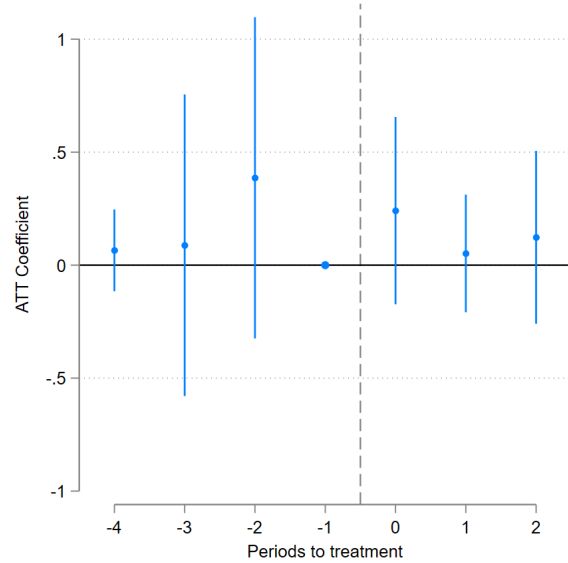
(b) Values Reported (2015 baseline)



(c) Event Study: # Taxpayers (log)



(d) Event Study: Values Reported (log)



Notes: Panels (a) and (b) group CRS countries according to the year in which they first reported information to Colombia. The figure focuses on the three years when key tax havens with the largest amounts of Colombian wealth entered: 2017 (blue line), 2019 (orange), and 2020 (green). Panel (a) shows the evolution in the number of taxpayers reporting foreign financial assets in each group of countries relative to 2015. Panel (b) presents the same information for the constant value of self-reported foreign financial assets. Panels (c) and (d) display the staggered difference-in-differences (DiD) coefficients for the same variables in logs. Treatment is defined as the first year in which Colombia received CRS information from a given country. The sample is restricted to countries that reported CRS information to Colombia in 2020 or earlier and for which at least 15 taxpayers self-reported financial assets in 2016. The control group corresponds to the last-treated countries. Further results and robustness are displayed in Table A.4. Sources: Authors' calculations based on F160 and CRS data.

Figure A.5: Extract of Letter Sent by DIAN in 2019 (Authors' Translation)

Dear Taxpayer,

Based on information obtained through national and international agreements, as well as data exchanged by third parties, it has come to our attention that you may have **omitted** the legal obligation to report the following foreign assets on Form 160 – Declaration of Assets Abroad for the 2018 tax year:

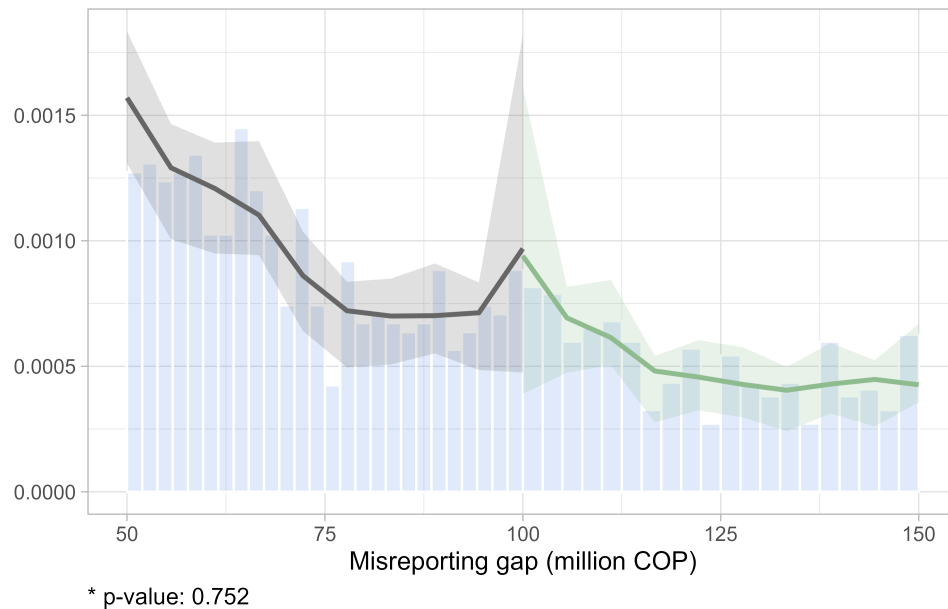
Country AA - Financial Institution BB - Account number CC - Balance DD – Currency EE

Additionally, **discrepancies** have been identified concerning the following foreign assets, which may have been under-reported or not reported at all in your Declaration of Assets Abroad for the 2018 tax year:

Country FF - Financial Institution GG - Account number HH - Balance II – Currency JJ

In accordance with Articles 42 to 49 of Law 1943 of 2018, DIAN offers you a final opportunity to **voluntarily disclose** any omitted assets and/or non-existent liabilities in your income tax return for previous periods at a special rate.

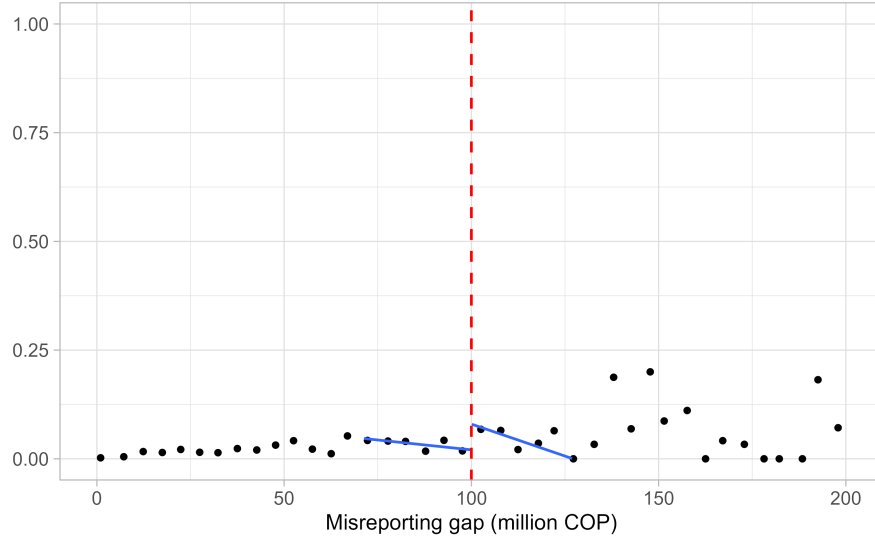
Figure A.6: Manipulation Testing based on Density Discontinuity



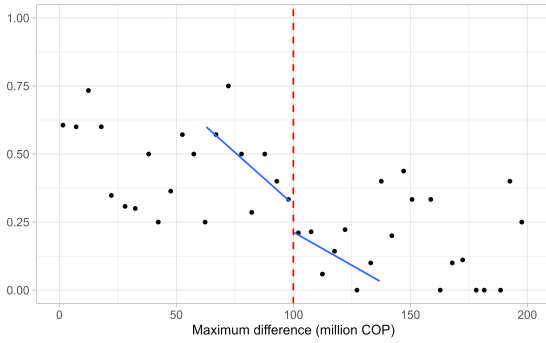
Notes: This figure tests for manipulation of the running variable based on density discontinuity using package rddensity (Cattaneo et al., 2018). The running variable is the misreporting gap (in million COP) between F160 (January 1, 2018) and FATCA and CRS (December 31, 2017). Source: Authors' calculations based on F160, CRS, and FATCA data.

Figure A.7: RDD: Letters can Reduce Intensive-Margin Disclosures

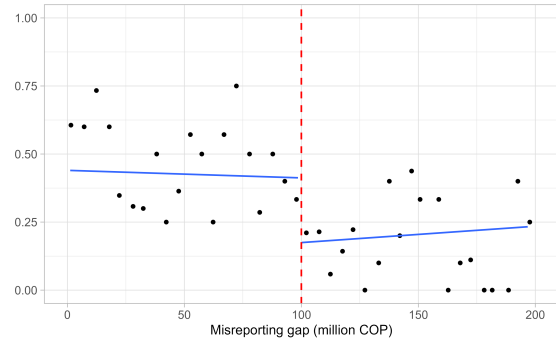
(a) $P(\text{Disclosed More than Gap})$ (Unconditional)



(b) $P(\text{Disclosed More than Gap} \mid \text{Disclosing})$ (Small BW)

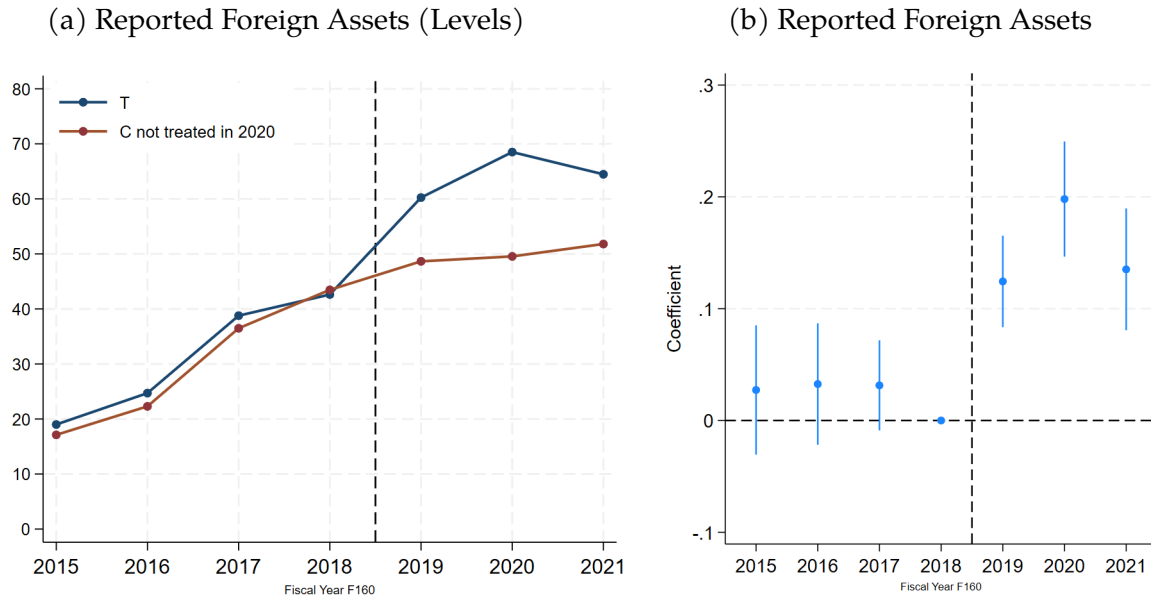


(c) $P(\text{Disclosed More than Gap} \mid \text{Disclosing})$ (Large BW)



Notes: This figure shows the likelihood of disclosing more than the misreporting gap identified by DIAN using AEOI data (Panel a), and the same outcome *conditional on participation in the 2019 VDP* (Panels b and c). Panels (b) and (c) use narrow and wide RD bandwidths. Overall, receiving a letter increased the probability of disclosing more than the gap. However, *conditional on disclosing some wealth through the VDP*, taxpayers who received a letter were less likely to disclose beyond the specified gap. The RD coefficient is negative, though its statistical significance depends on the chosen bandwidth. While only suggestive, the results indicate that notified individuals tend to report precisely the amounts listed in their letters, whereas those disclosing offshore wealth without a letter reveal much larger sums than those captured by AEOI. In this sense, revealing what the authorities know also inadvertently signals what they *do not* know. Sources: Authors' calculations based on F160, F445, CRS, and FATCA data.

Figure A.8: DiD: The Impact of AEOI Letters on Taxpayer Behavior



Notes: This figure compares taxpayers with misreporting gaps above 100 million pesos (2017 CRS information vs. F160 2018) who had already been identified by 2019 and received a letter that year with those identified only later, who also had misreporting gaps above 100 million pesos but did not receive a letter in either the 2019 or 2020 campaigns. Panel (a) shows the probability of filing a foreign asset return between 2015 and 2021, and Panel (b) presents the corresponding event-study coefficients. Before 2019, both groups followed similar trends: for instance, filing rates doubled from 20% in 2015 to 40% in 2018, reflecting growing awareness of the reporting requirement. After the initiative, however, reporting rose sharply for taxpayers identified by DIAN but remained flat for the comparison group. The sample is restricted to taxpayers who filed income tax returns in 2015–18. The outcome variable is based on Form 160 returns submitted timely (before November 1 of each tax year). *Sources:* Authors' calculations based on F160, F210 and CRS data.

Table A.1: AEOI Data Quantity and Quality

	2016	2017	2018	2019	2020	2021
Transmitting Countries	39	72	81	78	92	94
Financial Institutions	1637	2924	3528	3456	3982	3883
Account holders (individuals)	17178	91995	137252	163977	218776	222946
% with missing names	0.0%	0.2%	0.1%	0.0%	0.0%	0.0%
% with missing TINs	40.7%	59.1%	58.1%	47.6%	46.0%	34.0%
% with missing TIN (Colombian std.)	73.6%	80.2%	77.0%	64.6%	63.0%	55.3%
% with missing residential address	16.1%	9.2%	12.9%	20.0%	15.9%	13.0%
% with missing birth date	17.4%	10.9%	12.5%	2.6%	2.4%	2.4%
% with missing place of birth *	67.4%	85.5%	80.5%	76.6%	64.6%	61.8%
% of identified holders	56.8%	55.1%	60.8%	68.7%	67.3%	68.4%
% of identified & paid	54.9%	55.3%	61.5%	70.6%	69.3%	70.0%
Accounts	23711	145686	217726	257394	345012	359037
% zero balance	29.8%	26.5%	31.3%	35.2%	34.8%	34.0%
Identified holders	9760	50698	83397	112704	147275	152415
% filing F210	47.4%	55.9%	57.3%	56.7%	54.7%	57.2%
% filing F110	2.0%	1.0%	1.1%	1.3%	1.7%	1.9%
% filing F260	-	-	-	0.1%	0.2%	0.3%
Above F160 thr.	1051	4494	7801	13166	15352	17857
Above F160 thr. & filed F160	468	2272	4225	9370	10830	12020
% self-reporting	44.5%	50.6%	54.2%	71.2%	70.5%	67.3%

Notes: This table summarizes how the quantity and quality of information reported under CRS and FATCA have evolved. Row 3 reports the number of individuals listed as account holders. The next six rows show the share of individuals missing identification data, followed by two rows with the share DIAN successfully identified and linked to a TIN, and the share identified with a non-zero account balance. The third block presents the number of accounts reported and the share with a zero balance. The fourth block reports the share of identified individuals filing income tax returns—F210 for residents, F110 for non-residents, and F260 for individuals in the simplified regime. The final block shows the number of identified taxpayers whose CRS- or FATCA-reported wealth exceeds the F160 threshold for declaring foreign assets, and the number and share of these individuals who actually file. Before 2019, all individuals with foreign assets were required to file F160; since 2020, only those with assets above $\approx$ USD 25,000 must do so. * FATCA does not send place of birth. *Sources:* Authors' calculations based on CRS, FATCA, F210, F110, F260, F160, and RUT data accessed in July 2023.

Table A.2: AEOI Data Quantity and Quality: CRS vs. FATCA

<i>Panel A: CRS</i>						
	2016	2017	2018	2019	2020	2021
Transmitting Countries	38	71	80	77	91	93
Financial Institutions	1626	2589	3175	3162	3668	3634
Account holders (individuals)	17046	81124	126463	154040	206993	213403
% with missing names	0.0%	0.2%	0.1%	0.0%	0.0%	0.0%
% with missing TINs	41.0%	55.7%	56.1%	46.6%	45.9%	33.3%
% with missing TIN (Colombian std.)	73.4%	79.3%	76.3%	64.3%	63.4%	55.2%
% with missing residential address	16.2%	10.4%	14.0%	21.3%	16.8%	13.5%
% with missing birth date	16.8%	10.1%	12.2%	1.9%	2.1%	2.1%
% with missing place of birth	67.1%	83.4%	78.7%	74.9%	62.1%	59.7%
% identified holders	57.3%	53.8%	60.2%	68.7%	66.8%	68.0%
% identified & paid	55.5%	53.3%	60.6%	70.5%	68.5%	69.4%
Accounts	23579	130913	202105	241886	325486	342970
% zero balance	29.9%	29.0%	33.3%	37.2%	36.6%	35.5%
Identified holders	9760	43612	76136	105804	138264	145122
% filing F210	47.4%	50.4%	54.5%	54.7%	52.5%	55.7%
% filing F110	2.0%	0.9%	1.0%	1.2%	1.7%	1.9%
% filing F260	–	–	–	0.1%	0.2%	0.3%
Above F160 thr.	1051	3504	6641	11794	12902	16060
Above F160 & filed F160	468	1694	3424	8359	9059	10694
% self-reporting	44.5%	48.3%	51.6%	70.9%	70.2%	66.6%

<i>Panel B: FATCA</i>						
	2016	2017	2018	2019	2020	2021
Financial Institutions	11	335	353	294	314	249
Account holders (individuals)	132	11627	12021	11668	14735	12293
% missing names	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% missing TINs	0.0%	80.2%	77.4%	56.0%	39.7%	40.6%
% missing TIN (Colombian std.)	100.0%	84.1%	80.9%	62.8%	48.2%	47.5%
% missing residential address	2.3%	0.2%	0.2%	0.2%	0.1%	1.0%
% missing birth date	93.9%	15.8%	14.0%	12.2%	6.6%	8.7%
% identified holders	–	67.4%	70.6%	73.9%	81.1%	81.7%
% identified & paid	–	68.9%	72.8%	75.5%	82.3%	83.0%
Accounts	132	14773	15621	15508	19526	16067
% zero payments	3.0%	4.8%	5.3%	3.5%	4.6%	3.0%
Identified holders	–	7837	8487	8625	11956	10038
% filing F210	–	89.9%	87.0%	89.0%	89.3%	89.5%
% filing F110	–	1.7%	2.3%	2.3%	2.0%	1.9%
% filing F260	–	–	–	0.2%	0.3%	0.6%
Above F160 thr.	–	1046	1291	1601	2873	2134
Above F160 & filed F160	–	628	913	1227	2178	1653
% self-reporting	–	60.0%	70.7%	76.6%	75.8%	77.5%

Notes: This table separately compares the quantity and quality of information reported under CRS and FATCA. See the notes under Table A.1 for additional details. *Sources:* Authors' calculations based on CRS, FATCA, F210, F110, F260, F160, and RUT data accessed in July 2023.

Table A.3: Household Offshore Financial Wealth Reported by AEOI by Transmitting Country (FY 2021)

	Directly (USD M) (1)	Identified (2)	Foreign Trusts (USD M) (3)	Identified (4)	Total (USD M) (5)
Panama	1,694	93.6%	1,009	96.8%	2,703
Switzerland	725	78.9%	685	94.0%	1,411
United States*	426	85.8%	-	-	426
Canada	242	73.0%	143	87.0%	385
Bahamas	272	82.2%	74	74.6%	346
Bermuda	298	85.1%	42	38.4%	339
Cayman Islands	151	92.0%	132	80.2%	282
Spain	265	73.2%	14	83.3%	279
Isle of Man	202	90.0%	12	58.3%	214
Germany	176	63.3%	14	100.0%	191
Others (Non tax haven)	771	55.8%	134	86.1%	905
Others (Tax haven)	387	69.4%	263	93.9%	649
Total	5,608	80.3%	2,522	91.9%	8,130

Notes: This table reports offshore financial wealth reported by AEOI (under CRS and estimated with FATCA) held by households directly (1) and indirectly through foreign passive non-financial entities (foreign trusts) (3), in millions of USD. Columns (2) and (4) show the percentage of wealth that the DIAN was able to assign to a tax identification number. *The U.S. value was estimated using payments and a 3.37% rate of return. The list from [Fejerskov Boas et al. \(2024\)](#) was used to classify countries as tax havens and non-tax havens. *Sources:* Authors' calculations based on CRS and FATCA data.

Table A.4: Staggered Event Study: Entry of Partner Countries in CRS

	Threshold Accounts: 15				Threshold Accounts: 30	
	Financial Assets (Log)		Total Assets (Log)		Financial Assets (Log)	
	Value (1)	Taxpayers Reporting (2)	Value (3)	Taxpayers Reporting (4)	Value (5)	Taxpayers Reporting (6)
<i>Panel A: Group ATT</i>						
Average	0.094 (0.141)	-0.064 (0.062)	0.249 (0.214)	-0.007 (0.053)	0.113 (0.164)	0.002 (0.052)
2017 Cohort	0.266 (0.244)	-0.021 (0.068)	0.549 (0.379)	0.043 (0.072)	0.141 (0.248)	0.030 (0.062)
2018 Cohort	-0.144 (0.150)	-0.121 (0.106)	-0.138 (0.113)	-0.076 (0.072)	0.083 (0.143)	-0.040 (0.077)
2019 Cohort	0.032 (0.090)	-0.097 (0.014)	-0.028 (0.160)	-0.024 (0.011)	-0.062 (0.061)	-0.086 (0.012)
<i>Panel B: Event ATT</i>						
<i>Periods to treatment</i>						
<i>Relative to -1</i>						
-4	0.066 (0.092)	-0.483 (0.257)	0.097 (0.127)	-0.242 (0.064)	-0.064 (0.012)	-0.128 (0.052)
-3	0.227 (0.281)	0.238 (0.136)	0.134 (0.329)	0.208 (0.124)	0.145 (0.405)	0.203 (0.189)
-2	0.420 (0.387)	0.011 (0.055)	0.293 (0.333)	0.037 (0.048)	0.106 (0.198)	-0.045 (0.062)
0	0.274 (0.246)	-0.060 (0.067)	0.287 (0.245)	-0.026 (0.057)	0.142 (0.252)	-0.019 (0.082)
1	-0.010 (0.148)	-0.111 (0.089)	0.150 (0.212)	-0.062 (0.072)	0.065 (0.161)	-0.003 (0.049)
2	0.123 (0.195)	0.055 (0.071)	0.680 (0.601)	0.175 (0.085)	0.181 (0.217)	0.077 (0.069)
χ^2	8.061	12.517	12.083	62.825	5.133	36.784
P-value	0.234	0.051	0.060	0.000	0.527	0.000
Observations	155	155	155	155	120	120

Notes: This table reports staggered difference-in-differences estimates of the effect of CRS adoption mentioned in 4.1, following Callaway and Sant'Anna (2021). Panel A reports group-level average treatment effects (ATT) aggregated across cohorts. Panel B presents the results of estimating dynamic treatment effects relative to the year prior to treatment ($k = -1$) using country and year fixed effects. Treatment is defined as the first year in which Colombia received CRS information from a given country. Columns (1)–(4) include all countries with at least 15 taxpayers reporting as of 2016, while columns (5) and (6) raise the reporting threshold to 30 accounts. The dependent variables are the natural logarithms of reported financial assets (columns (1) and (5)) and total assets (column (3)), as well as the natural logarithms of the number of taxpayers reporting financial assets (columns (2) and (6)) and total assets (column (4)). Source: Authors' calculations based on F160 data.

Table A.5: DiD: Tax Haven vs Non-Haven Comparison at Colombia's entry into CRS (2017)

	Threshold Accounts 15 Fejerskov Boas et al. (2024) Havens				Threshold Accounts 15 Fejerskov Boas et al. (2024) + Tørslov et al. (2022) Havens		Threshold Accounts 30 Fejerskov Boas et al. (2024) Havens	
	Financial Assets (Log)		Total Assets (Log)		Financial Assets (Log)		Financial Assets (Log)	
	Value (1)	Taxpayers Reporting (2)	Value (3)	Taxpayers Reporting (4)	Value (5)	Taxpayers Reporting (6)	Value (7)	Taxpayers Reporting (8)
<i>Panel A: DID</i>								
Coefficient	0.646 (0.312)	0.300 (0.128)	0.733 (0.313)	0.277 (0.125)	0.622 (0.285)	0.241 (0.125)	0.712 (0.276)	0.126 (0.131)
<i>Panel B: Event years</i>								
2015	-0.024 (0.262)	-0.017 (0.077)	0.029 (0.213)	0.045 (0.080)	0.176 (0.283)	0.054 (0.075)	-0.316 (0.173)	-0.041 (0.077)
2017	0.791 (0.382)	0.262 (0.090)	0.857 (0.374)	0.229 (0.078)	0.853 (0.350)	0.264 (0.083)	0.599 (0.368)	0.168 (0.103)
2018	0.692 (0.392)	0.275 (0.102)	0.768 (0.371)	0.253 (0.087)	0.825 (0.366)	0.270 (0.097)	0.445 (0.364)	0.124 (0.104)
2019	0.670 (0.373)	0.298 (0.117)	0.802 (0.369)	0.287 (0.112)	0.743 (0.347)	0.294 (0.117)	0.453 (0.355)	0.141 (0.115)
2020	0.583 (0.367)	0.315 (0.150)	0.743 (0.354)	0.357 (0.168)	0.635 (0.352)	0.273 (0.146)	0.387 (0.329)	0.173 (0.152)
2021	0.498 (0.355)	0.302 (0.147)	0.647 (0.335)	0.343 (0.168)	0.564 (0.344)	0.249 (0.146)	0.316 (0.315)	0.144 (0.154)
2022	0.570 (0.359)	0.298 (0.167)	0.670 (0.340)	0.330 (0.179)	0.637 (0.350)	0.256 (0.163)	0.343 (0.321)	0.109 (0.171)
Observations	320	320	320	320	320	320	232	232
Haven countries	14	14	14	14	17	17	13	13
Non-haven countries	26	26	26	26	23	23	16	16

Notes: This table reports the results of DiD regressions comparing taxpayers reporting foreign assets in tax havens and non-haven jurisdictions around Colombia's entry into the CRS in 2017. Columns (1)–(4) use the list of havens from Fejerskov Boas et al. (2024) and include all countries with at least 15 taxpayers reporting as of 2016; columns (5) and (6) expand the haven definition to include Tørslov et al. (2022); and columns (7) and (8) raise the reporting threshold to 30 accounts.

Panel A reports average treatment effects from OLS regressions of the form

$$\ln(y_{it} + 1) = \alpha + \gamma D_i + \tau t_t + \beta(D_i \times t_t) + \varepsilon_{it},$$

where $D_i = 1$ for haven jurisdictions and $t_t = 1$ for years 2017 and after. Standard errors are clustered at the country level. Panel B presents estimates from the following specification with country and year fixed effects

$$\ln(y_{it} + 1) = \alpha_i + \gamma_t + \sum_{k \neq 2016} \delta_k (D_i \times \mathbf{1}\{t = k\}) + \varepsilon_{it},$$

where the δ_k capture year-by-year treatment effects for treated units and are reported relative to the 2016 baseline.

The dependent variables correspond to the natural logarithm of reported financial assets (columns (1), (5), and (7)) and total assets (column (3)), as well as the natural logarithm of the number of taxpayers reporting financial assets (columns (2), (6), and (8)) and total assets (column (4)). Source: Authors' calculations based on F160 data.

Table A.6: The Impact of AEOI Letters on Taxpayer Behavior: RDD

Outcome	Control mean (1)	Conventional RD coefficient (2)	Bias-Corrected S.E. (3)	Robust S.E. (4)
<i>Panel A: Participation in 2019 VDP</i>				
Disclosed any wealth	0.08	0.398	0.091 ***	0.128 ***
Disclosed foreign assets	0.07	0.371	0.088 ***	0.126 ***
Disclosed financial assets in CRS country	0.05	0.277	0.077 ***	0.113 ***
Disclosed financial assets in CRS tax haven	0.03	0.263	0.074 ***	0.105 ***
Value of disclosed assets in CRS countries	17.13	41.692	17.832 **	21.174 **
Value of disclosed financial assets in CRS countries	13.7	36.323	17.44 **	20.231 **
Value of disclosed financial assets in CRS tax havens	2.33	29.757	13.326 **	16.764 **
log(1+Value of disclosed assets)	0.38	1.99	0.454 ***	0.635 ***
log(1+Value of disclosed assets in CRS countries)	0.26	1.413	0.388 ***	0.553 ***
log(1+Value of disclosed financial assets in CRS countries)	0.22	1.289	0.369 ***	0.531 ***
log(1+Value of disclosed financial assets in CRS tax havens)	0.12	1.207	0.353 ***	0.496 ***
Probability of repatriation	0.02	0.225	0.061 ***	0.086 ***
Disclosure penalty	2.5	23.21	14.175	22.765
log(1+Disclosure penalty)	0.21	1.089	0.264 ***	0.369 ***
<i>Panel B: Self-reporting foreign assets (post nudge)</i>				
Filed foreign asset return (F160) in 2019	0.32	0.285	0.11 ***	0.159 ***
Filed foreign asset return (F160) in 2020	0.3	0.333	0.111 ***	0.155 ***
Value of foreign assets in CRS countries in 2019	123.35	429.993	236.764 *	382.43 **
Value of foreign assets in CRS countries in 2020	184.15	169.789	209.648	192.17
log(1+Value of foreign assets in CRS countries in 2019)	1.43	1.759	0.605 ***	0.858 ***
log(1+Value of foreign assets in CRS countries in 2020)	1.48	1.508	0.595 **	0.811 **
<i>Panel C: Spillovers</i>				
Disclosed assets from a non-CRS country	0.01	0.031	0.037	0.062
Disclosed non-financial assets	0.01	0.027	0.036	0.053
Disclosed financial assets in Panama	0.01	0.044	0.032	0.053
Value of disclosed financial assets in non-CRS countries	3.41	-0.85	8.237	14.78
Value of disclosed non-financial assets	4.18	-0.956	7.077	11.8
Value of disclosed financial assets in Panama	2.53	4.893	5.377	9.97
log(1+Value of disclosed financial assets in non-CRS countries)	0.06	0.115	0.186	0.322
log(1+Value of disclosed non-financial assets)	0.07	0.08	0.168	0.253
log(1+Value of disclosed financial assets in Panama)	0.04	0.2	0.153	0.265
<i>Panel D: First Stage and Placebos</i>				
Received a Letter	0.2	0.675	0.055 ***	0.077 ***
Filed income tax return (F210) in 2018	0.86	0.099	0.076 *	0.11
Reported wealth (F210) in 2018	1741.29	-350.436	1165.849	1156.549
Reported income (F210) in 2018	88.20	19.252	34.681	46.763
Registered in the Bogota tax office	0.57	0.093	0.110	0.158
Filed foreign asset return (F160) in 2018	0.2	-0.008	0.107	0.156
Value of foreign assets in CRS countries in 2018	87.61	252.199	211.094	313.703
log(1+Value of foreign assets in CRS countries in 2018)	0.85	0.27	0.56	0.802

Notes: This table reports the LATE of receiving a letter on taxpayer behavior, estimated using a fuzzy RDD. The running variable is the discrepancy between AEOI-reported account balances at year-end 2017 and taxpayers' self-reported foreign assets as of January 1, 2018. Taxpayers with discrepancies exceeding 100 million pesos in a given country were more likely to receive a letter from DIAN highlighting the disparity and inviting them to participate in the 2019 VDP. Estimates are obtained using conventional local linear RD with standard errors computed via the rdrobust package (Cattaneo et al., 2014). The sample includes 736 taxpayers, and the bandwidth is fixed at 37.5 million pesos. All monetary values are in current million pesos. Sources: Authors' calculations based on F160, F445, F210, CRS, and FATCA.

B Details of Matching Procedure and Wealth Assignment

B.1 Matching Procedure

Taxpayers reported through AEOI agreements were subject to a matching process to identify them in Colombia's Single Tax Registry (RUT) using information reported from abroad. Three identifiers were used: taxpayer ID number (NIT), name, and date of birth. Dates of birth were verified using two external data sources: the Pension and Parafiscal Management Unit (UGPP) and the National Civil Registry.

Because names are often recorded differently across databases, the Levenshtein distance similarity algorithm was applied to assess whether the names in the AEOI data matched those in the RUT. A tolerance margin for similarity was allowed, but DIAN excluded ambiguous cases from the matches to minimize the risk of misclassification.

The matching procedure was refined over time, with a major improvement after 2019: the incorporation of the National Civil Registry as a source for verifying taxpayers' dates of birth. As a result, there are effectively two versions of the CRS and FATCA data: (i) the database used for the statistical analysis, updated as of 2023; and (ii) the database used for the 2019 voluntary disclosure campaign, which underlies the RDD analysis. The main difference between these datasets arises from the inclusion of the Civil Registry data, though smaller differences also exist due to slightly different data-cleaning decisions between 2019 and 2023, corrections to country classifications, and additional reports received over time.

B.2 Assigning Assets to CPs

CRS agreements provide information on both individuals and legal entities (account holders) who are Colombian tax residents and hold financial assets in member countries, as well as on passive non-financial entities (NFEs) whose CPs are Colombian tax residents. A CP is defined as a natural person who exercises effective control over the entity, either through ownership, other means, or by serving in senior management. In the case of trusts, CPs include the settlor, trustee, protector (if applicable), beneficiaries, and any other person who exercises effective control over the trust.

By contrast, FATCA agreements provide information only on individuals and legal entities (account holders) who are Colombian tax residents and hold financial assets in the U.S.

Colombian legal entities must report ownership of foreign assets in their own name on F160. Accordingly, when assigning the value of accounts from passive NFEs to individuals, only foreign entities were considered. The balances of these entities were attributed to their controlling owners, who are required to declare ownership of such foreign entities on F160.