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## **Tax abuse, money laundering and corruption plague global finance**

### **Financial integrity panel says reforms urgent for sustainable development**

NEW YORK, 24 September 2020 – Governments must do more to tackle tax abuse and corruption in global finance, says a panel of former heads of state and government, past central bank governors, business and civil society leaders and prominent academics.

The findings come in an interim report published today by the High-Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel), established by the 74<sup>th</sup> President of the UN General Assembly and the 75<sup>th</sup> President of the UN Economic and Social Council.

The report says governments are can't agree on the problem or the solution, while resources that could help the world's poor are being drained by tax abuse, corruption and financial crime. Estimates include:

- \$500 billion losses to governments each year from profit-shifting enterprises;
- \$7 trillion in private wealth hidden in haven countries, with 10% of world GDP held offshore;
- Money laundering of around \$1.6 trillion per year, or 2.7% of global GDP.

Global finance controls haven't kept pace with a globalized, digitalized world. The FinCen Files involving \$2tn of transactions revealed this week how some of the biggest banks have allowed criminals to move dirty money around the world. They are the latest reports from investigative journalists showing the system to regulate dirty money has major gaps.

"Corruption and tax avoidance are rampant. Too many banks are in cahoots and too many governments are stuck in the past. We're all being robbed, especially the world's poor," said Dr. Dalia Grybauskaitė, FACTI co-chair and former president of Lithuania. "Trust in the finance system is essential to tackle big issues like poverty, climate change and COVID-19. Instead we get dithering and delay bordering on complicity," she said.

Criminals have exploited the pandemic, says the report, as governments relaxed controls to speed up healthcare and social protection. "Our weakness in tackling corruption and financial crime has been further exposed by the COVID-19," said Dr. Ibrahim Mayaki, FACTI co-chair and ex-prime minister of Niger. "Resources to stop the spread, keep people alive and put food on tables are instead lost to corruption and abuse," he said.

The FACTI Panel calls for a more coherent and equitable approach to international tax cooperation, including taxing the digital economy, and more balanced cooperation on settling disputes.

A launch event for the interim report will bring the FACTI Panel chairs together with high-level representatives from Member States. The Panel hopes the interim report will generate debate among policymakers and consensus on recommendations to be included in a final report to be published in February 2021.

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**Press conference at 11.30am EDT on 24 September, United Nations, New York: UN press briefing room and virtual.**

FACTI Co-chairs Ibrahim Assane Mayaki, former prime minister of Niger and Dalia Grybauskaitė, former president of Lithuania plus Gamal Ibrahim, chief of FACTI Secretariat.

To take part:

<https://undesa.webex.com/undesa/onstage/g.php?MTID=e738c5dfdfafcd76effbae93f9b733acc>

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The FACTI Panel makes evidence-based recommendations to close gaps in the international system to achieve the Sustainable Development Goals by 2030. The Panel consists of 17 members drawn from policymakers, academia, civil society and the private sector.

*Background information on the FACTI Panel is available at: <http://www.factipanel.org/about>*