



# KEY MESSAGES

- Financial accountability, transparency and integrity systems can help countries prevent the drain of resources from development, contributing to achieving the 2030 Agenda.
- International instruments lack co-ordination, leave gaps and may overlap and even conflict with each other.
- The Panel therefore calls for global acceptance that the shortcomings are systemic and require systemic responses.
- Success calls for a legitimate and coherent ecosystem of instruments and institutions dedicated to financial accountability, transparency and integrity.

# SIZE OF THE CHALLENGE

## ESTIMATES OF THE DRAIN ON RESOURCES DUE TO INSUFFICIENT FINANCIAL INTEGRITY

- \$500 - \$600 billion a year lost from profit-shifting by multinational enterprises
- \$7 trillion of private wealth is hidden in haven countries
- 10% of world GDP may be held in offshore financial assets
- \$20 - \$40 billion a year estimates in bribes received by public officials in developing and transitioning countries
- \$1.6 trillion, or, 2.7% of global GDP lost to money laundering by criminals, including drug traffickers and organized crime

# CROSS-CUTTING FINDINGS

- The COVID-19 pandemic and digitalisation of economies are exacerbating challenges
- A legitimate, coherent ecosystem of instruments and institutions needs coordination
- Future directions can be set by deliberate actions by Members States, working with other forces of change
- Active participation of non-state actors is a necessity to fortify political will, tackle vested interests, and build coalitions for reform
- Peer review needs to be strengthened and made fairer, so that countries are held accountable to each other for following through on commitments
- Policy makers need to be nimble to confront constantly evolving methods of draining resources

# CLUSTER-SPECIFIC FINDINGS

## COOPERATION IN TAX MATTERS

- Need to develop a more coherent, nuanced and equitable approach to international tax cooperation
- Developing countries must participate equally in crafting and agreeing on tax norms
- There is no neutral body to collate and analyse tax data, which impedes progress

## ACCOUNTABILITY, PUBLIC REPORTING AND ANTI-CORRUPTION

- Major gaps in the regulation and supervision of the enablers of corruption, with systemic implications from lapses in haven countries
- Cross-border access to beneficial ownership information is too difficult; responsibility of financial centres and developed countries

## INTERNATIONAL COOPERATION & SETTLING DISPUTES

- Structural deficiencies in international tax dispute settlement frameworks
  - Concerns associated with non-trial resolutions and major compensation gap in foreign bribery cases
- Many obstacles to the speedy, transparent and accountable recovery and return of assets
  - Important weaknesses in the UNCAC implementation review mechanism

# CONCLUSIONS

- The international community needs to build trust to cooperate on innovative approaches and foster joint action
- **Cross-cutting issues:** Governance, capacity, systemic thinking, role of non-state actors
- **Cooperation on tax matters:** Architecture for cooperation, taxation of the digital economy, financial reporting and information exchange, data production and publication
- **Accountability, public reporting and anti-corruption:** Addressing impunity, enablers, beneficial ownership, capacity building
- **International cooperation in settling disputes:** International tax dispute settlement, non-trial resolutions, foreign bribery and compensation, confiscation, return and disposal of assets, implementation and peer review