



Concept Note

Advancing Global Financial Integrity and the Role for China

12 May 2021, 20:00-21:00(Beijing Time), via Zoom

Background

The UN's High Level Panel on Financial Accountability, Transparency and Integrity (FACTI) released its [report](#) on February 25, 2021 that tackled the skewed global finance which obstructs the achievement of the 2030 Agenda. Formed in March 2020 by the President of the UN General Assembly and the President of ECOSOC, the Panel explored further actions the international community may need to address the gaps and impediments in combatting illicit financial flows.

The report highlights how resources drained by corruption, money laundering and tax abuses are incomprehensible in scale. What do ordinary citizens stand to lose?

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

Among the key findings, the report shows that despite the creation and adoption of various international initiatives, agreements, and treaties to reduce illicit financial flows, the flows remain on the rise. It also highlights the urgency for more aggressive and concerted action. Without it, countries will face severe lack of resources to build back and build better from the COVID-19 pandemic. Tax heavens will continue to sabotage the Sustainable Development Goals.

For the Panel, there is reason to hope for solutions to systemic problems. Their report emphasizes that strengthening financial integrity is possible. Countries can prevent the drain of resources for development and reduce the shortfall in public resources to recover from public health and economic crises. This, the Panel suggests, will require systemic solutions. This is reflected in its 14 recommendations, representing an ambitious set of measures to reform, redesign and revitalize values, policies and institutions that can effectively foster financial integrity for sustainable development.

Moving the recommendations to concrete actions requires, among others, international cooperation. A Global Pact involves all countries agreeing to take comprehensive action to create financial integrity for sustainable development, and to use the proceeds released by these actions to make additional investments in achieving the SDGs.

Purpose

The dialogue, which jointly hosted by the FACTI Panel and Caixin Media, brings together stakeholder representatives and experts in the financial integrity system in China and beyond with the aim to:

- Introduce the findings and recommendations in the FACTI report.
- Discuss the strategic and practical implications of FACTI's recommendations in advancing global financial integrity initiatives, including the calls for international cooperation on tax matters and on cross-border corruption; and
- Learn from the thought leaders on how China can reinforce the call for Global Compact

Event highlights

- The target participants are experts in the financial integrity system in China and beyond.
- Members of the FACTI High Level Panel will present the report highlights. It is followed by responses from China experts. There will be a moderated discussion in the latter part.

Proposed agenda

1. Welcome remarks (5 min)
 - Representative from Caixin Media
2. Presentation of the FACTI Panel Report (10 min)
 - Mr. José Antonio Ocampo, FACTI Panelist
Professor at the School of International and Public Affairs at Columbia University

Comments by other Panelist (15 min)

 - Dr. Yongding Yu
Professor at Chinese Academy of Social Sciences
 - Dr. Shahid Hafiz Kardar (TBC)
Vice Chancellor of Beaconhouse National University in Pakistan
3. Open Discussions (25 min)
Leading discussant
 - Dr. Liqing Zhang
Director of Center for International Finance Studies and Director of Collaborative Innovation Center for Global Financial Governance at Central University of Finance and Economics

- Dr. Ming Zhang
Senior Fellow and Deputy Director at Institute of Finance & Banking, Chinese Academy of Social Sciences

4. Closing remarks (5 min)

- Dr. Yongding Yu