

Summary of the regional consultation in Asia-Pacific

Co-hosted by the High-level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda and the UN Economic and Social Commission for Asia-Pacific
via WebEx Event
12 November 2020

On 12 November 2020, the High-level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel), together with the United Nations Economic and Social Commission for Asia and the Pacific, co-hosted a high-level Asia-Pacific regional consultation. It brought together high-level representatives from Member States and regional institutions, along with leaders from civil society and private sector in the region. The consultation, held virtually due to COVID-19 related restrictions around the world, offered an opportunity for the FACTI Panel to hear from the region's leaders on their preferred means to address the shortcomings in the existing frameworks for financial integrity that were identified in the FACTI Panel [interim report](#) released in September. It was part of a series of regional consultations that take place throughout November and including Europe, Africa and Latin America and the Caribbean. Nearly 70 people participated in the consultation, and 10 made statements.

Opening

The meeting was chaired by **H.E Ibrahim Assane Mayaki**, former Prime Minister of Niger and co-chair of the FACTI Panel and **Ms. Armida Salsiah Alisjahbana**, Under Secretary General and Executive Secretary of United Nations Economic and Social Commission for Asia and the Pacific. In his opening remarks, **Dr. Mayaki** recalled the importance of the work of the Panel, considering the current economic downturn and financial turmoil due to the pandemic. He also provided the participants with highlights of the Panel's interim report, stressing that there are still gaps in the implementation of existing instruments, important loopholes in the international architecture and inadequacies in the global economic governance. He reflected on the need for political will to address global governance challenges at the national and international levels, and the need to reach a shared understanding of the challenges and the best ways to resolve them. **Dr. Mayaki** also emphasized the need for participation of all stakeholders in these efforts, including civil society and the private sector. He then passed the floor to **Ms. Alisjahbana** who reflected on the challenges of insufficient financial integrity on regional countries, especially in the era of digital economy and increasing cross-border transactions and commended the work of the Panel in this regard. She then called for the prioritization of shared policy across the region and identified three areas of actions: under-representation and capacity weakness of regional countries in tax reform, under-development of regional tax cooperation framework, and global policy reform in promoting responsible business, and combating tax evasion and corruption. **Ms. Alisjahbana** reiterated that ESCAP will continue to enhance regional cooperation and move forward with the recommendations of the Panel.

Keynote speakers

H.E. Asim Iftikhar Ahmad, Ambassador of Pakistan to Thailand and Permanent Representative to ESCAP, representing H.E. Abdul Hafeez Shaikh, Advisor to the Prime Minister on Finance and Revenue, welcomed the publication of the interim report of the Panel. He stressed that the volume of illicit financial flows is staggering, and it impacts the ability of developing countries, including Pakistan in pursuing the Sustainable Development Goals. He then called for the international community to step up collective efforts to enhance financial accountability, transparency and integrity. He highlighted the importance of joint efforts on elimination of havens, regulation of enablers, beneficial ownership transparency, prevention of profit shifting by multinational companies, and fairness of taxing right allocations. He encouraged the creation of a UN-led mechanism to oversee existing frameworks to ensure coherence, consistency and inclusiveness.

Mr. Richard Ian Wagstaff, President of New Zealand Council of Trade Unions, emphasized that tax abuses by multinational enterprises and big technology companies threaten the equity, fairness and justice of taxation and called for good governance and greater transparency in the tax system. He also emphasized the need to protect and support whistle-blowers. He hoped that UN would take the lead in improving the global taxation system to better fund the post-pandemic recovery, rebuild the social contract and make the system more resilient to future shocks.

The chair then passed the floor to **Mr. Shahid Hafiz Kardar** and **Mr. Karim Daher**, FACTI Panel Members, who provided brief remarks. After all these initial interventions, the chair then opened the floor to other speakers.

Open discussion

The seven statements were provided by representatives of the Asian Development Bank, regional Member States, civil society and the private sector. All speakers thanked the Panel for engaging with stakeholders in an inclusive and transparent manner. Participants emphasized the vital importance of the Panel's interim report and ongoing work which they said would contribute to the efforts of countries in the region to recover from the current economic and financial turmoil. The interventions were substantive in nature, focusing on areas/issues where the Panel could make recommendations.

Most speakers agreed that lack of financial accountability, transparency and integrity is a global problem that needs global solutions. Many participants insisted on the need **to address the imbalanced participation of developing countries in international tax norm setting**, as they felt the current system prioritizes the interests of developed economies and leads to systemic imbalance in tax treaties. Some speakers called for a UN-led mechanism where all countries have equal footing in solving global challenges which cannot be addressed by any nation alone.

Many speakers emphasized the importance of **regional collaboration** on taxation and financial crimes and called for the establishment of a regional mechanism to address the current deficit of cooperation on tax matters, share best practices and ensure policy consistency among nations. Participants called for creating more opportunities for dialogue among developing countries at the regional level.

Many speakers underlined the importance of **exchanging information for tax purposes**, and some called for closing the gaps in transparency and disclosure of information to help address tax abuses, tax evasion, profit shifting and tax avoidance, especially in the context of the digitalization of the

economy. One speaker emphasized the importance of tax certainty and called for the Panel to recommend binding arbitration for international tax disputes.

There were also suggestions that the Panel needs to **focus on the implementation of current mechanisms and existing initiatives**. It was suggested by one participant that existing multilateral forums have widespread participation of developing countries, the Panel should support those forums, and any reforms to address gaps should be undertaken through those forums. Suggestions included enhancing participation of developing countries by addressing the lack of technical capacity with adequate capacity building and technical assistance.

One speaker insisted on the need to explore ways to **enhance recovery of crime proceeds**, promoting the use of technology and to create regional hub to share experiences and ensure consistency in this global fight. One speaker raised concerns about privacy, security, and the misuse of information if **beneficial ownership information** were to be made available publicly.

A representative from business highlighted the importance of addressing the lack of **proper transparency mechanisms in public procurement** at the domestic level and encouraging support for open contracting standards. Other suggestions include protection of investigative journalists and whistleblowers, and the involvement of all stakeholders, including civil society and private sector. One Member State suggested that the FACTI Panel final report focus on areas of consensus among all Member States.

Closing

Dr. Mayaki thanked all participants for their valuable inputs and invited **Mr. Shahid Hafiz Kardar** and **Mr. Karim Daher** to make some concluding observations. The co-chair concluded the meeting by recalling how critical it is to be ambitious to ultimately enable the global economic and financial systems to work better for everyone. He welcomed all participants to continue to engage in the Panel's future activities reminding them that the Panel is accepting written submissions from all stakeholders until the end of November.