



## Taking Forward FACTI Panel Recommendation On Strengthening Tax Cooperation in Asia Pacific and Beyond

*A regional virtual event hosted by FACTI Panel Secretariat*

*April 29, 2021, 15:00 Manila, 12:30 Delhi ● Registration required: [Link](#).*

### 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 in an unfathomable scale. For ordinary citizens, they stand to lose \$20-40 billion 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.

If regained, such vast resources could help Asia fund the gaps to achieve the region's SDG that needs \$1.5 trillion (or 5 per cent of GDP). They could provide significant contribution to the \$669 billion worth of social protection that has targeted cash transfer for the poor, nutritious food, quality education and universal healthcare systems. They could also reduce the population, estimated at 132 million people, being pushed into extreme poverty in South Asia alone due in part to COVID-19.

The Panel also found that countries can prevent the drain of development resources and reduce public resource shortfall to recover from global health and economic crises through systemic solutions. This is reflected in its 14 recommendations, representing ambitious measures to reform, redesign and revitalize values, policies and institutions that can effectively foster financial integrity for sustainable development.

Shoring up systemic response against tax base erosion and ensuring a fair allocation of tax revenues are highly critical to build back better. However, [UNESCAP's 2019 Report](#) underscores that "Asia and the Pacific is not yet fully prepared for broad-based regional tax cooperation. To date such efforts have been limited mainly to the subregional level, with existing tax cooperation platforms constrained by inadequate capacity and funding, and broader collaboration among them minimal. There is significant room for strengthened regional tax cooperation to better support developing countries and contribute to global tax cooperation and reform initiatives."

FACTI recognizes that for over 10 years, concerted actions developed where several resource-rich countries moved their EITI standard compliance to policy reforms. Meanwhile, some Asian governments have rolled out their OGP Action Plans that deal with anti-corruption and fiscal openness. These efforts complement some of the countries' commitments to the implementation of multilateral mechanisms such as the UN Conventions Against Corruption (UNCAC), Financial Action Task Force (FATF) standards, the Global Forum

on Transparency and Exchange of Information for Tax Purposes, and the BEPS Inclusive Framework. Enacting these commitments also entails new legislations or leveraging existing policies.

Increasingly, the stakeholders of such initiatives underscore the growing demand for evidence that they are effective in recovering stolen assets, countering multiple forms of financial crimes, and enabling an increased domestic resource mobilization. More importantly, the gaps and impediments they face to scale up such initiatives reinforce [FACTI Panel's call](#) for a stronger international cooperation to combat illicit financial flows and in coming up with a roadmap for countries to adopt in their context.

### **Purpose**

The regional event brings together financial integrity actors to discuss how to implement FACTI Panel recommendations in Asia Pacific and beyond. Specifically, the participants will tackle the following:

- How important are FACTI's recommendations in advancing financial integrity initiatives, especially on regional to global tax cooperation in Asia Pacific?
- What can be learned from the governments' implementation of their international commitments and multilateral mechanisms in curbing illicit cross border financial flows and furthering international cooperation?
- What would it take to implement FACTI Panel's proposed Global Compact for financial integrity that builds on the strengths and critical lessons from the existing initiatives in the region?
- How critical are the roles of civil society, the private sector, and the international community in moving FACTI's ambitious set of measures to reform and revitalize financial integrity solutions?

### **Event highlights**

- The target participants are financial integrity actors in the region representing civil society networks; parliament; audit institutions, oversight agencies, and finance ministries of the government; and international financial institutions. The virtual event will run for 1 hour and 45 minutes. It will be recorded. Registration is required. Participants are encouraged to send questions or signify their intent to make interventions beforehand.

### **Proposed programme**

Welcome remarks and overview

- FACTI Secretariat
1. Presentation of the FACTI Panel Report
    - Professor Shahid Hafiz Kardar, UN High Level FACTI Panel Member, former Governor of the State Bank of Pakistan and former Minister for Finance, Planning, Excise and Taxation, Industries and Mineral Development, Pakistan
  2. Responses from financial integrity actors in Asia Pacific
    - Ms. Cynthia Gabriel, Executive Director, Center to Combat Corruption and Cronyism
    - Ms. Lidy Nacpil, Regional Coordinator, Asia Peoples' Movement on Debt and Development
    - Mr. Sreedhar Ramamurthi, Managing Trustee, Environics Trust
    - Mr. Robin Ng, Director, International Tax and Relations Division, Inland Revenue Authority of Singapore\*
    - Dr. Fadli Zon, President, Southeast Asian Parliamentarians Against Corruption; Chairman, Committee for Inter-Parliamentary Cooperation, Indonesia House of Representatives
    - Ms. Maria Lurdes Martins de Sousa Bessa, GOPAC Timor Leste Representative and Founding MP Member, Partido Democratico, Timor Leste

- Ms. Marie Gay Alessandra Ordenes, Asia Pacific Director, Extractive Industry Transparency Initiative
  - Mr. John Versantvoort, Head of Office of the Anti-Corruption and Integrity, Asian Development Bank
  - Mr. Francesco Checchi, Anti-Corruption Adviser, Southeast Asia and the Pacific, United Nations Office on Drugs and Crime<sup>1</sup>
3. A moderated discussion, organized in three rounds
  4. Wrap up and closing Remarks
    - FACTI Panelist

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<sup>1</sup> \* To be confirmed