



FINANCIAL TRANSPARENCY COALITION

NEWSLETTER

January - March 2014

Highlights

- FTC Newsletter is back
- FTC Coordinating Committee expands to 9 organizations
- 2014 FTC annual conference dates and city announced
- European Parliament votes to end secret corporate ownership
- New resources and blogs

Follow us on:



After a year-long hiatus, our newsletter is back! In this edition, we highlight a few changes at the Coalition that you may have missed and provide updates on our network, events, policy work, and press. We also provide a list of new resources and upcoming events.

New Name in 2013

In May 2013, we changed our name from the Task Force on Financial Integrity and Economic Development to the Financial Transparency Coalition (FTC). We are a global group of experts, activists, and governments working together to blow away the smokescreen of financial secrecy and to build a more transparent financial system that works for everyone. It's a simple premise, and it demands a simple name.

New Coordinating Committee Members

Our Coordinating Committee expanded with the [Centre for Budget and Governance Accountability](#) (New Delhi), [Tax Justice Network – Africa](#) (Nairobi), and the [Latin American Network on Debt, Development, and Rights](#) (Lima) joining in January 2014. You can see all FTC Coordinating Committee members [here](#).

New Team Members

Most recently, we've said good-bye to great team members including our Communications Director, Dietlind Lerner, and Christian Aid's Principal Economic Justice Adviser, Alex Prats, as they move on to exciting opportunities outside the FTC.

We've recently welcomed Christian Freymeyer, as the FTC's New Media and Press Coordinator. Øygunn Sundsbø Brynildsen is filling in for FTC Manager Porter McConnell, while she is on maternity leave. You can see the full list of the FTC's staff members [here](#).

New Newsletter

We've even changed this newsletter. While most of the content will be the same, we've changed the format and will send it quarterly instead of monthly. We hope that you find it to be a useful resource for getting updates on the events, policies, reports, and news surrounding our work. We welcome any feedback from you on what you like and dislike about our newsletter. You can either e-mail us at info@financialtransparency.org or fill out a brief survey [here](#).

NETWORK NEWS

Open Knowledge Foundation Joins the FTC Allied Organization Network

The FTC welcomes the [Open Knowledge Foundation](#) to our Allied Organization Network. The Open Knowledge Foundation is a non-profit organization that promotes open data and open content in all their forms.

Coalition Participation in Civil Society 20 (C20)

The C20 is a platform for dialogue between the political leaders of G20 countries and representatives of civil society organizations. Coalition member Pooja Rangaprasad from the Centre for Budget and Governance Accountability is the international co-chair of the [C20 Governance Group](#). She is joined by fellow coalition member Maggie Murphy, from Transparency International, who is one of the discussion leaders.

Global Witness' Charmian Gooch wins TED Prize: Take Part in the Campaign!

Global Witness Co-Founder and Director Charmian Gooch won this year's US\$1 million TED Prize. She has pledged to use the award "to make it impossible for criminals and corrupt dictators to hide behind anonymous companies." You can see Charmian's TED presentation [here](#), and you can take part in the campaign [here](#).

Four FTC Coordinating Committee Members Ranked as Top Think Tanks

The Think Tanks and Civil Societies Program at the University of Pennsylvania released its annual ranking of think tanks around the world. Global Witness, Tax Justice Network, and Global Financial Integrity were ranked #32, #54, and #63 (respectively) for Think Tanks with the Best Advocacy Campaigns. Transparency International was also highly ranked in twelve categories; it holds the #1 ranking for Top Transparency and Good

Governance Think Tanks. You can find the report [here](#).

EVENTS

Save the Date! 2014 Annual Conference in Lima, Peru

Mark your calendars for the 2014 FTC annual conference taking place in Lima, Peru October 14-15. The 2014 conference is co-hosted by the Latin American Network on Debt, Development, and Rights (LATINDADD). Stay tuned to the conference [website](#) for updates over the coming months.

POLICY UPDATES

European Parliament Votes to End Secret Corporate Ownership

Last month, by a vote of 643 in favor and 30 against, the European Parliament voted to establish public registers of who really owns companies, trusts, and other legal structures. This will make it much harder for criminals, tax evaders, corrupt politicians, and other money launderers to hide their identity, and their illicitly acquired assets, behind anonymous companies and trusts. The provision comes under the European Union's (EU) Anti Money Laundering Directive. Now the ball is in the court of the 28 EU Member States who are currently debating the Directive. You can read our reaction [here](#).

OECD Action Plan on Base Erosion and Profit Shifting

[In July 2013](#), the Organisation for Economic Co-operation and Development (OECD) released a ground breaking report; an Action Plan on Base Erosion and Profit Shifting (BEPS). The plan recognizes what the FTC has known for years, but not so often heard from the OECD: That the

integrity of the current global tax system has been undermined by multinational companies and their tax planners exploiting the boundaries of acceptable tax planning. The FTC and its members have been following the developments closely and have contributed to consultations and meetings including at the OECD in Paris at the end of March.

“Offshore Leaks” Probe Initiates Worldwide Change

The International Consortium of Investigative Journalists’ (ICIJ) led a probe of 2.5 million secret offshore records that prompted change around the world. The European Parliament’s Green Party, the Democratic Progressive Party in Taiwan, and

Colombia’s top tax official all cited the influence of the probe in high-level policy discussions. You can read more about the probe’s impact [here](#).

British Virgin Islands and Cayman Islands Consultations on the Creation of a Public Registry of Beneficial Ownership

Earlier this year, the British Virgin Islands and Cayman Islands ran consultations on whether to create a public registry of beneficial ownership. The Financial Transparency Coalition submitted a joint response with other non-governmental organizations. We restated the enormous benefits of a public registry and the relatively small costs.

RESOURCES

Illicit Financial Flows from Developing Countries: 2002-2011

Global Financial Integrity (GFI) released its annual report on illicit financial flows from developing countries in December 2013. In its report, GFI found that the developing world lost US\$946.7 billion in illicit outflows in 2011, an increase of 13.7% from 2010. You can read more [here](#).

Africa Rising?: Inequalities and the Essential Role of Fair Taxation

This report by Christian Aid and Tax Justice Network Africa examines income inequality and tax systems in sub-Saharan Africa. You can read the report [here](#).

Tax Justice Network App

The Tax Justice Network (TJN) has issued a free app that provides TJN’s latest blogs, videos on tax justice, and daily news updates. You can access the app [here](#).

Taxcast

The Tax Justice Network’s monthly podcast, Taxcast, provides the latest global news and expert analysis on tax havens and corruption. You can listen to it [here](#).

Anonymous Companies Infographic

Global Witness has issued an infographic on anonymous companies that briefly shows what anonymous companies do, the crimes they enable, their link to grand corruption cases, and where they can be found. You can view the infographic [here](#).

RESOURCES

OECD's Automatic Information Exchange Standard: A watershed moment for fighting offshore tax evasion?

In this paper, the Tax Justice Network (TJN) analyzes the Organisation for Economic Co-operation and Development's (OECD) 2014 report on a new standard for automatic information exchange. TJN's paper identifies three key weaknesses of the OECD's report; namely its lack of adjustment to developing countries' needs, its potential for loopholes, and its lack of sanctions. TJN then provides recommendations on how to address these weaknesses. You can read TJN's paper [here](#).

Illicit Financial Flows to and from the Philippines: A Study in Dynamic Simulation, 1960-2011

This report, by Global Financial Integrity, found that the Philippine economy lost at least US\$132.9 billion in illicit financial outflows and had illicit financial inflows of US\$277.6 billion in 1960 to 2011. It also found that 25% of the value of all goods imported into the Philippines goes unreported to customs officials. You can read more [here](#).

Estimating Illicit Flows of Capital via Trade Mispricing: A Forensic Analysis of Data on Switzerland

Christian Aid and the Center for Global Development co-authored this paper in which they assess whether there is evidence of systematic mispricing in commodity trade with Switzerland and find that developing countries trading with Switzerland may have suffered illicit outflows of capital through trade mispricing. You can read the report [here](#).

Version Francaise: Plaidoyer pour la Justice Fiscale: Un Guide pour la Société Civile

Tax Justice Advocacy: a Toolkit for Civil Society is now available in French: Plaidoyer pour la Justice Fiscale: Un Guide pour la Société Civile. The toolkit provides advice on how to develop a tax advocacy strategy, research tax issues, and get active in tax issues. You can access the English version [here](#) and the French version [here](#).

Working for the Few: Political Capture and Economic Inequality

In this paper, Oxfam examines the growth of income inequality and provides recommendations for tempering this growth. These recommendations were specifically geared to those who were gathered at Davos for the World Economic Forum in January. They call upon international business and political leaders to commit to not dodge taxes, not use their economic wealth to seek political favors, and make public all the investments for which they are the beneficial owners. You can find the paper [here](#).

The Economic and Legal Effectiveness of the European Union's Anti-Money Laundering Policy

Through a three-year study, the authors examine the effectiveness of the European Union's anti-money laundering policy. You can purchase the book [here](#).

SELECTED PRESS HITS

Centre for Budget and Governance Accountability

NDTV Profit – [Salaried Indians pay more income tax than high earners in US, China: survey](#)

The article references Centre for Budget and Governance Accountability (CBGA) statistics in comparing tax ratios of the US, China, and other global powers, to India.

Christian Aid

The Guardian – [Poor losing out in African boom, according to new report](#)

The Guardian writes about Christian Aid and Tax Justice Network – Africa’s new report which examines how economic growth in Africa has only benefited a small population, while wages and living conditions for most people on the continent stagnate.

Eurodad

European Voice – [MEPs vote for public registers on company ownership](#)

In the wake of the European Parliament’s backing of public registers for beneficial ownership, EuropeanVoice sought input on the vote’s repercussions from Eurodad.

Global Financial Integrity

The Economist – [A bad boom](#)

Research by Global Financial Integrity is highlighted in this report outlining government corruption and illicit financial flows in India.

Global Witness

The Economist – [A witness to change](#)

The Schumpeter blog of The Economist highlights Global Witness’ winning of the 2014 TED prize, and the fight by financial transparency advocates to end anonymous companies.

Tax Justice Network

The Hindustan Times – [Switzerland may no longer be a honeymoon spot for tax evaders](#)

Looking at the future of Switzerland as a tax haven, this article cites a report by Tax Justice Network (TJN) and commentary from TJN analysts.

Tax Justice Network – Africa

The Observer – [Africa growth fails to bridge inequality gap](#)

Tax Justice Network – Africa’s report on growing inequality in Africa is highlighted in this Ugandan media outlet.

SELECTED BLOGS

[Transparency Priorities for 2014](#) by: Ann Hollingshead

Looking out at 2014, Ann lays out some of the highest priorities for financial transparency advocates in detail.

[The U.S. Needs Parity on Anti-Money Laundering and Beneficial Ownership](#) by: Ann Hollingshead

Ann explores why beneficial ownership is vital in the U.S. fight to curb money laundering.

[Why Russia No Longer Fears the West: It’s the Offshore, Stupid](#) by: Nick Shaxson

London, along with so many other European hubs, is full of dirty money, being funneled into U.K. real estate and banks from all over the world. Russia is one of the prime players.

[Millions of Euros Left Ukraine: Why Beneficial Ownership Transparency is Common Sense](#) by:

Christian Freymeyer

With proper beneficial ownership regulations, it would be much easier to catch illicit financial flows before they start.

UPCOMING

Civil Society 20 (C20) - You can Feed in!

You can interact directly with CSO leaders, talk about what issues are important to you and why they should be highlighted in the C20's advocacy efforts in the C20's [conversation forum](#). Be quick, the forum closes on April 6th.

G20 Finance Ministers and Central Bank Governors Meeting

G20 Finance Ministers and Central Bank Governors are meeting on April 10 – 11 in Washington, D.C. The FTC is sending a letter to all G20 Finance Ministers ahead of the meeting, urging them to demonstrate global leadership against illicit financial flows. We urge them to do this by recognizing public registers of real corporate owners and public country by country reporting by multinational companies as new transparency standards, and to address loopholes in the proposed new standard for automatic exchange of tax information. We also urge the G20 Finance Ministers to ensure that all reform processes will provide space for developing countries to participate on an equal footing in the design and implementation of global standards. Let us know if you want the letter template so you can send one from your organization!

Consultations on OECD Action Plan on Base Erosion and Profit Shifting Due

If you would like your organization's voice heard on the OECD's Action Plan on Base Erosion and Profit Shifting you can send comments:

- On [Action 1](#) to the OECD by April 14
- On [Action 2](#) to the OECD by May 2
- On [Action 6](#) to by April 9.

QUESTIONS OR COMMENTS?

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