

How to eliminate the "black holes" of global finance: corruption, tax havens, and opaque operations.


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return on investment any more. Then: on society and also on the states, as far as they jeopardise democracy and tax systems by making it possible for economic crimes to be profitable.

Governments must commit themselves to fighting for more transparency on the markets so as to prevent non-ethical behaviours, and to fostering economic actors' integrity. Tax Justice Network's index offers another insight into reality.

The automatic and transparent information transfer at international level and the fight against the opacity of trusts and foundations are crucial. Indeed, tax heavens are not likely to match with a healthy and sustainable economy.

The first speaker was John Christensen, director of the Tax Justice Network.

Since the end of the seventies, the economy has been facing a growing deregulation and liberalisation of the markets worldwide, which paved the way for black holes.

The crisis has highlighted the weaknesses of the system and the negative impact of tax havens. These are rooted into corporate culture and used as a lever for getting optimal strategies and maximising tax avoidance. Half of the financial flows get through tax havens. However, they have a negative impact on the global economy. First, on the market: the lack of transparency raises the risk premium, while resources are now allocated on the basis of after tax profits, and not on the

The second speaker, Carolyn Lindsey, was the manager of "Member Services, Trace International", an association that offers a wide range of anti-bribery compliance solutions to companies and their stakeholders.

The speaker focused on corruption within some countries, especially the poor ones. Corruption is everywhere. It represents about 5% of the world's GNP. The USA has about one million of billion of dollars involved in bribery.

Anti-bribery rules were at first quite wide-open, some bribers could remain in the USA and bribes could be set off against taxes in Germany. They are now fully taxable and there is an international willingness to fight against these practices. In the USA, the number of trials against guilty companies and individuals who did

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not denounce these practices has been soaring. Moreover, companies realise that these practices may endanger their business since they come along with extra costs and specific risks. An increasing number of companies now care about their compliance, their partners and the way they do business.

The last speaker, Caio Magri, "Public Policy Advisor", Instituto Ethos, dealt with corruption in Brazilian companies. Ethos Institute gathers 266 companies and 66 organisations which commit themselves to being ethic and respecting the law. The former economic model is obsolete and a green economy involving the fight against poverty, bribery and oil dependence should be implemented. Social responsibility has to be more widely spread by helping economic players to fight corruption. The Institute aims at increasing companies' awareness of the law, making them aware of the reason(s) why bribery must be left aside and the ethical engagements that each company should take. Civil society and NGOs must act to plan a national dialogue to help companies into being more ethic and respecting the laws.