

# Financial Transparency Coalition

The Financial Transparency Coalition (FTC) is a global network of civil society, governments, and experts. We work to curtail illicit financial flows through the promotion of a transparent, accountable, and sustainable financial system that works for everyone.



# FTC Issue Areas

- Country by country reporting
- Beneficial ownership
- Automatic exchange of information
- International institutional architecture
- Open data
- Enablers of illicit financial flows

# Country by Country Reporting

## *The Problem*

- Multinational corporations (MNCs) are able to exploit loopholes in domestic and international tax laws to shift profits from one country to the next, often through tax havens (or “secrecy jurisdictions”).
- The global numbers they provide are for the operations of all of their subsidiaries bundled together.

# Country by Country Reporting

## *The Solution*

- MNCs should be required to submit individual reports with basic financial information for each jurisdiction in which they operate. These country-by-country reports should be made available to the public.
- Public country-by-country reporting strengthens the financial system for everyone.

# Beneficial Ownership

## *The Problem*

- Anonymous companies are used to disguise the identity of their true owner—the person (or people) who ultimately control or profit from the company, the “beneficial owners.”
- Hidden company ownership is a big contributor to the nearly \$1 trillion that leaves countries in the Global South illicitly every year.

# Beneficial Ownership

## *The Solution*

- Countries should collect beneficial ownership information on companies registered within their borders, and make this information publicly available in central registers.
- Beneficial ownership registries live in Ukraine, in the works in the UK, Denmark, Argentina, and elsewhere.

# Automatic Exchange of Information

## *The Problem*

- Tens of trillions of dollars are held offshore, and much of this money goes untaxed and unaccounted for.
- About 33 percent of all assets of the Middle East and Africa are held offshore; for Latin America, it's about 25 percent. Globally, that number drops to 6 percent.

# Automatic Exchange of Information

## *The Solution*

- Government authorities need access to information in order to know the scope of assets held offshore.
- G20 countries and the Organization for Economic Cooperation and Development (OECD) have drafted a Common Reporting Standard (CRS) to serve as a foundation for a global network of automatic exchange.
- Lower Income countries should have larger say in the exchange system.

# International Institutional Architecture

- Who makes the rules of global finance?
- Global South countries are often left out of the standard setting and decision-making forums.
- We need a UN intergovernmental tax body.
  - Women's Working Group on FfD

## **Open Data**

- Make relevant information published by governments or companies open to the public.

## **Enablers of illicit financial flows**

- We need to hold the actual people that facilitate the dirty deals and enable money launderers and tax evaders to hide their money accountable.