

Statement by the Prime Minister of Pakistan
At
Launch of the Interim Report of the High-Level Panel on International
Financial Accountability, Transparency and Integrity (FACTI) for
Achieving the 2030 Agenda

High-Level Launch Event and Panel Discussion
24 September 2020 8:00-10:30 AM (New York Time)

**Excellencies,
Ladies and Gentlemen,**

I am happy to participate in this extremely important discussion today.

Pakistan appreciates the initiative by Nigeria and Norway to establish the Panel on International Financial Accountability.

Each year, billions of dollars illicitly flow out of developing countries. My Government came with a robust public mandate to get rid of this menace from the country. We have taken several initiatives domestically. What is need is strengthening international cooperation to bring perpetrators of financial crime to justice.

We welcome the Interim Report of the FACTI Panel. The figures of illicit flows mentioned in the Report are staggering.

One trillion dollars is taken out each year by these white-collar criminals. Twenty to forty billion dollars is in the form of bribes received by the corrupt. Seven trillion dollars in stolen assets is parked in safe tax “haven” destinations. Five to six hundred billion dollars is lost each year in tax avoidance by multinational companies.

This bleeding of the poorer countries must stop.

International community must adopt decisive actions and I propose the following:

One, the stolen assets of developing countries, including the proceeds of corruption, bribery, and other crimes, must be returned immediately.

Two, the authorities in “haven” destinations must impose criminal and financial penalties on their financial institutions which receive and utilize such money or assets.

Three, the “enablers” of corruption and bribery, such as accountants, lawyers and other intermediaries, must be closely regulated, monitored and held accountable.

Four, the “beneficial ownership” of foreign companies must be revealed immediately upon inquiry by interested and affected governments.

Five, multinational corporations must not be allowed to resort to “profit-shifting” to low tax jurisdictions to avoid taxation. A global minimum corporate tax could prevent this practice.

Six, revenues from digital transactions should be taxed where the revenues are generated, not elsewhere.

Seven, Unequal investment treaties should be discarded or revised and a fair system for adjudication of investment disputes set up.

Eight, all official and non-official bodies set up to control and monitor illicit financial flows must include all interested countries.

Nine, the UN should set up a mechanism to coordinate and supervise the work of the various official and non-official bodies dealing with illicit financial flows to ensure coherence, consistency and equity in their work.

The need of developing countries to protect and preserve their resources has become even more vital because of the recession triggered by COVID-19 Pandemic.

Excellencies,

Finally, I would say that unless these steps are taken, the difference between the rich and poor will keep growing. The developing countries will get impoverished and what we see of the current migration crisis, this will be dwarfed by what will happen in the future, if this gulf keeps growing.

I thank you.