KEY MESSAGES

- Financial accountability, transparency and integrity systems can help countries prevent the drain of resources from development, contributing to achieving the 2030 Agenda.

- International instruments lack co-ordination, leave gaps and may overlap and even conflict with each other.

- The Panel therefore calls for global acceptance that the shortcomings are systemic and require systemic responses.

- Success calls for a legitimate and coherent ecosystem of instruments and institutions dedicated to financial accountability, transparency and integrity.
SIZE OF THE CHALLENGE

ESTIMATES OF THE DRAIN ON RESOURCES DUE TO INSUFFICIENT FINANCIAL INTEGRITY

• $500 - $600 billion a year lost from profit-shifting by multinational enterprises

• $7 trillion of private wealth is hidden in haven countries

• 10% of world GDP may be held in offshore financial assets

• $20 - $40 billion a year estimates in bribes received by public officials in developing and transitioning countries

• $1.6 trillion, or 2.7% of global GDP lost to money laundering by criminals, including drug traffickers and organized crime
CROSS-CUTTING FINDINGS

• The COVID-19 pandemic and digitalisation of economies are exacerbating challenges

• A legitimate, coherent ecosystem of instruments and institutions needs coordination

• Future directions can be set by deliberate actions by Members States, working with other forces of change

• Active participation of non-state actors is a necessity to fortify political will, tackle vested interests, and build coalitions for reform

• Peer review needs to be strengthened and made fairer, so that countries are held accountable to each other for following through on commitments

• Policy makers need to be nimble to confront constantly evolving methods of draining resources
# Cluster-Specific Findings

## Cooperation in Tax Matters

- Need to develop a more coherent, nuanced and equitable approach to international tax cooperation
- Developing countries must participate equally in crafting and agreeing on tax norms
- There is no neutral body to collate and analyse tax data, which impedes progress

## Accountability, Public Reporting and Anti-Corruption

- Major gaps in the regulation and supervision of the enablers of corruption, with systemic implications from lapses in haven countries
- Cross-border access to beneficial ownership information is too difficult; responsibility of financial centres and developed countries

## International Cooperation & Settling Disputes

- Structural deficiencies in international tax dispute settlement frameworks
- Concerns associated with non-trial resolutions and major compensation gap in foreign bribery cases
- Many obstacles to the speedy, transparent and accountable recovery and return of assets
- Important weaknesses in the UNCAC implementation review mechanism
CONCLUSIONS

• The international community needs to build trust to cooperate on innovative approaches and foster joint action

• **Cross-cutting issues:** Governance, capacity, systemic thinking, role of non-state actors

• **Cooperation on tax matters:** Architecture for cooperation, taxation of the digital economy, financial reporting and information exchange, data production and publication

• **Accountability, public reporting and anti-corruption:** Addressing impunity, enablers, beneficial ownership, capacity building

• **International cooperation in settling disputes:** International tax dispute settlement, non-trial resolutions, foreign bribery and compensation, confiscation, return and disposal of assets, implementation and peer review