Outcome of Discussion: September 9, 2020

"Good Global Citizens: A Dialogue on Wealth and Responsible Tax Conduct for a Fair Post-Covid Global Economy"

Context: Questions of the responsibilities of both businesses and the state have risen in the public consciousness in recent years and norms regarding tax avoidance and a lack of transparency are shifting, sharply so for younger generations. Aiding transparency, advances in digital technology make compilation of existing data in public registers possible in a way that would have been impossible even ten years ago.

The Solution & Next Steps: Recommendations on the establishment of global corporate standards for responsible tax conduct and a global asset registry will be presented on September 17 during the UN75 Global Governance Forum and will be incorporated into 'The Future We Want, the UN We Need' outcome document. Together, these two programmes could boost public finances, tackle illicit financial flows, combat wealth inequality and enable a fairer playing field for business competition. The group will meet again after September.

Global Corporate Standards for Responsible Tax Conduct. Businesses should do the following:

- Embrace public country-by-country reporting and related financial transparency. Multinational corporations should report on revenue, profit, subsidiaries, tax and employee investment, on a public country-by-country basis.
- Publish a binding Policy undertaking not to use tax havens artificially or pursue tax avoidance. The policy should be subject to annual affirmation via compliance checks and be owned by a named board director.
- Disclose their beneficial owners and persons of significant control. The threshold for disclosure should be at least at the level of 10% of shareholdings or voting rights, but preferably lower, including ownership via trusts.
- Pursue independent assurance from outside of the big accountancy firms. Independent assurance rooted in civil society is more likely to support the emergence of much needed legislative and regulatory developments on issues like unitary taxation and formulary apportionment.

Global Asset Registry: A global asset registry would link the existing data provided by recent tax transparency measures and provide missing wealth data, which would allow wealth inequality to be measured and understood, facilitate well-informed public and policymaker discussions and support appropriate taxation. A registry would also prove a vital tool against illicit financial flows, by ending impunity for hiding and using the proceeds of crime.

- The GAR should include all assets that are "relevant" and could include tangible assets, cover intangibles (e.g. intellectual property, trademarks, patents, etc.) and financial assets and property of firms and other ownership vehicles (e.g. trusts).
- ICRICT's UK pilot study (launched in 2019) could be replicated across different countries or at regional level based on feasibility or relevance: financial centres holding cross-border wealth, countries that are more capable of establishing some type of an asset register because they have the financial and technological capacity, or countries that are considering the introduction of a wealth tax (e.g. Argentina, Peru, Colombia, South Africa).