

G20 on the right track but more action needed to benefit the world's poor

Micah Challenge Australia welcomes the G20's ongoing work on addressing the problem of global tax dodging and corruption, yet acknowledges that the actions taken at the Brisbane Summit still fall short of the full transparency measures required to fully combat financial secrecy, and ensure developing countries benefit.

"The G20's commitments are welcome because tax dodging and corruption hurts the poor around the world most of all. Nations rich in resources have missed out on billions because of tax deals, shifting income around the world through the use of tax havens. Now the G20 has sent a clear message that this sort of behaviour is theft and it has to stop," said John Beckett, National Coordinator of Micah Challenge Australia.

"We're encouraged that issues of unethical tax dodging and financial secrecy are firmly on the international agenda, however G20 leaders have failed to introduce any new or concrete transparency measures which will benefit developing countries," said Mr Beckett.

G20 nations have agreed to share tax related information with each other and have established high level principles for ensuring that more is known about the true owners and beneficiaries of anonymous companies and trusts. In a bid to consider the interests of low-income countries, the G20 have also communicated plans to support the administrative skills and systems of developing countries' tax systems through 'capacity-building'.

While these measures will go some way towards preventing the use of offshore accounts and secrecy structures to hide the proceeds of crime, corruption and tax dodging, Micah Challenge believes the G20 Communiqué has not gone far enough in terms of including developing countries, as well as neglected some of the crucial tools at their disposal for tackling tax dodging and corruption.

"We certainly welcome the G20's decision to build capacity of developing nations, yet more needs to be done to close the loopholes which are enabling tax dodging and corruption to flourish in the first place," said Mr Beckett.

"Using the Luxembourg leaks as an example, we know that multinational corporations are using complex and ingenious structures to avoid tax. This problem particularly affects developing countries which lack the capacity to identify, analyse and combat these arrangements. Country by country reporting – which would require companies to report economic activity in every area in which they operated – would help here, and we're disappointed the G20 hasn't taken further steps in this direction."

Mr Beckett also said that Micah Challenge was disappointed that G20 leaders have postponed any firm commitment to ensure that the information about the true beneficiaries of companies are made available.

“Without a strong commitment to making this kind of information publically available, it is less likely that poor countries will benefit from G20 actions,” he said.

“We have come a long way towards increased transparency. The light is definitely being shone on tax dodging, and global leaders are making some steps forward. We will however need to continue raising our voices with and for the global poor to make sure we continue building momentum towards justice and transparency in the global financial system.”

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In partnership with the global EXPOSED campaign, Micah Challenge advocates in churches across Australia have been campaigning to ‘[shine the light](#)’ on tax dodging and corruption in the lead up to the G20. They join with over a quarter of a million people across 172 nations who have signed the [Global Call on Corruption](#), emailed their politicians and participated in prayer vigils.

Available for Interviews:

- **John Beckett:** Micah Challenge Australia’s National Coordinator

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Micah Challenge is a global movement of Christians speaking out against poverty and injustice in support of the Millennium Development Goals. In Australia, more than 50 aid and development agencies, as well as churches, schools, groups and individual Christians endorse the campaign.
www.micahchallenge.org.au.