



TJN Council Meeting 2011, Dakar

## **Annual Report 2009/2010 Submitted by the Chair of the Global Board of Directors**

Two years ago when I wrote my last report to the Council Meeting in Belém (Brazil) the world was struggling with the gravest financial and economic crisis since the Great Depression of the 1930s. The crisis originated in the major financial centres in Europe and North America but affected countries around the world. And the causes of this global financial crisis are to be found in the financial and economic policies of the developed countries and in the unprecedented growth of the opaque and poorly regulated and scrutinised shadow banking system. Developing countries were not responsible for this problem, but they have been seriously affected.

Many governments have taken steps within their own limited powers to mitigate the harmful effects of this crisis. Many countries responded with extensive fiscal interventions. The huge cost of financing the necessary economic stimulation measures (and the bank bailouts) have been a major reason for stepping up the campaign against international tax evasion.

At the centre of this campaign has been the G-20, working in conjunction with OECD and partly the IMF. Much of their effort has concentrated on promoting minimal standards for mutual information exchange of tax information on request (OECD Art. 26 standard). However, the measures introduced to date largely bypass the needs of developing countries. Most of the new Double Tax Treaties (DTT) or Tax Information Exchange Agreements (TIEA) involve transactions among developed countries or between developed countries and tax havens. Some have not yet been implemented. And developing countries have negotiated far fewer bilateral agreements than richer countries.

The Tax Justice Network has heavily criticised the ineffectiveness of this low standard and has lobbied strongly for automatic information exchange and for multilateral and enforceable rules. But more transparent rules for identification of bank clients and enhanced exchange of information between countries are not enough by themselves to fight against capital flight, tax evasion and illicit flows. Our network has also been loudly calling for disclosure of real beneficial ownership of offshore companies, trusts and foundations. In addition, we have led the way with calls for multinational companies to be required to publish detailed country-by-country reports on the activities of their subsidiaries. We have also been advocating for tax evasion to be listed as a predicate crime for anti-money laundering measures. The report of John Christensen, the Director of our International Secretariat, will highlight in a more detailed manner the multiple efforts TJN has undertaken in the past two years.

Let me conclude this very short and abstract overview of how the TJN has become embedded in this extraordinary global situation: I'm convinced that our ideas and our untiring efforts contributed strongly to the progress in this field but I also see the huge need for more and even better engagement for further progress.

Naturally we have also been active in developing our network. The Global Board held 9 phone conferences in 2009 and 11 last year. As usual the agendas and the minutes are circulated by e-mail

to the activists-list and are made available on our online filemanager for download by activists. This allows members and activists to contribute to Board discussions and follow the decision-making processes: an opportunity which not everyone is making use of. Unfortunately not all elected Board members and invited observers have attended regularly and with the necessary degree of engagement on Board activities. On several occasions we have invited non-members to join our discussion and contribute in their specialised fields.

The internal and closed activists-list and the open and broader intertax-list have been widely used. The website and the blog are regularly updated and contribute to the positive image of TJN among the media and the general public. It is impressive to note that over 2,000 blogs have been published on the TJN blogspot since it was launched in 2007. That works out at 1.4 blogs every day of the year for four years. The majority of these blogs have been contributed by Nick Shaxson and John Christensen, but everyone is welcome to contribute blogs about events in their countries or regions, and it is important that everyone takes up this opportunity. It is not encouraging that so few blogs are contributed by our members, and we are now taking steps to introduce a rota system to request blogs from around the world. Regional and national email bounce lists are also being operated and some TJN chapters also maintain their own websites.

Thanks to external financing we have also been able to expand the number of paid staff in the International Secretariat. The African Regional Secretariat and most recently TJN USA also have paid staff.

Progress towards developing our regional and national chapters can be characterised as mixed. With great pleasure I can report on strongly expanded activities of some regional and national coalitions, contributing to the broadening of our influence. Elsewhere, however, progress remains below our expectations. And network growth inevitably complicates possibilities for cooperation, achieving common understanding, and focussing on joint strategies. For this reason in 2010 we commissioned an independent review of our goals, strategies and structure. A report prepared by external consultants and based on extensive interviews and an online survey will be submitted to the Council Meeting and will hopefully stimulate productive and fruitful discussions and decisions concerning our future activities.

Two years ago I wrote in my report that we had reached the end of the pioneer phase of our network. To be fit for the coming challenges we must streamline our organisation, our strategies and action plans, and our worldwide cooperation. This necessary consolidation requires better engagement and increased efforts from all of us.

Finally, I would like to thank everybody who has contributed to and supported our activities across the world: Boards on global, regional and national levels, secretariats, senior advisers, members and supporters as well as those institutions who have funded our programmes. It is a pleasure to work with you.

Let's move forwards in cooperation

Berne, End of January 2011

Bruno Gurtner  
Chair of the Board for 2009 and 2010  
[Bruno@taxjustice.net](mailto: Bruno@taxjustice.net)