

# Minutes of the Tax Justice Network Meeting at the ESF in Paris, 13 November 2003

## **Present:**

Sven Giegold (Attac Germany), Markus Meinzer (Attac Germany), Hans Baier (Attac Germany), Lucy Komisar (Journalist), Barbara Marouschek (Attac Austria), Cornelia Staritz (Attac Austria), Anna M. Garriga (Attac Catalunya – Spain), Ville-Pekka Sorsa (Attac Finland), Bernard Bouzon (Attac France), Brigitte Henkel (Attac Germany), Andrew Goodall (Journalist), Styn Oosterlynck (Attac Flanders), Guindja Pierre (KairosEurope), Edward Egan (Christian Council for Monetary Justice), John Christensen (Association for Accountancy and Business Affairs), Andreas Missbach (Berne Declaration), Pete Coleman (War on Want), Bruno Gurtner, (Swiss Coalition of Development Organizations), François Gobbe (Kairos Europe WB)

Gender perspective: 5 women, 12 men (in the beginning of the Seminar)

## **1. Where do we stand?**

### **Report from the Steering Committee**

At the ESF in Florence a provisional Steering Committee was formed.

Since then the following **activities** have taken place:

- Mailing Lists: internal and external → The two Mailing Lists became one, responsible person: Andreas
- Drafting of the declaration through E-Mail discussion, finished in March, the declaration has been on the website since August (download in different languages is possible)
- Launch of the network in London, the declaration was presented in the British Parliament
- International Media Conference in Berne, good media coverage
- Two phone conferences of the steering committee have taken place
- Meeting in Geneva at the G8 Meeting (the minutes are available through the website)
- The TJN Newsletter was launched in September 2003
- The first TJN research seminar was held at Essex, England
- Meeting with OECD Tax Authority (we have informal contacts with them)
- UN: Conference about the relationship between the UN and NGOs took place in Geneva (June 2003)
- UN: Expert committee on taxation: John Christensen, Andreas Missbach and Richard Murphy will represent the network
- First Draft for the Questions for Parliaments
- Presence in Media: Attac International Newsletter, UK Media, Social Watch (Annual Report of Southern NGOs) UK Radio, etc.
- Campaigns: Jersey, Luxemburg, Hamburg

### **Next Meetings:**

- Seminar at the WSF in Mumbai

### **Report from different countries**

#### **Austria:**

- A Tax Justice working group within Attac Austria was founded 1,5 years ago.
- Information work: Paper on Tax Justice, Seminars, Articles, Sven toured through Austria with his new book on tax havens, program on radio Attac "Tax myths discovered"
- Lobbying: a meeting has been held with a member of the finance committee of the parliament

- Networking: Using the structures of the "Stop GATS" campaign, letter to groups and organisations asking them to sign the declaration and work together on tax issues
- Formulation of "parliamentarian questions" (already sent to the TJN)

**Belgium/French:**

- Topics: Tax Haven Belgium, Question of Tax Justice and Redistribution, Fiscal Amnesty
- New initiative of the government: Fiscal amnesty rule: Protest against this rule with a letter to the parliament
- Use of Tobin Tax-Network (40 NGOs and Unions) for Tax Justice Activities
- Presence at the Belgium Social Forum

**Belgium/Flemish:**

- Protest against the above mentioned fiscal amnesty rule, legal action is taken, the rule is discriminating the people who pay taxes
- Campaign on tax justice

**Finland:**

- High pressure to decrease tax rates
- Estonia is a tax haven. Estonia will enter the EU soon – consequences?
- Attac Finland plans to do something on taxes, weak network in Finland

**France:**

- decentralised activities, no nation-wide organised activities
- Groups are organised. They are working on different topics like tax havens.
- They formed the European network on "financial delinquency". Six countries joined the network. A European petition against financial delinquency and tax havens was formulated. They have already collected 10.000 signatures. The next planned action is lobbying on EU level. Other countries are invited to join the network ([www.local.attac.org/romans/](http://www.local.attac.org/romans/)).

**Germany:**

- Intense political time, Consensus policy of a new style (all parties favor a lower taxation and fiscal amnesty), nevertheless the lowering of the taxation for interest income was shifted for one year
- Tax avoidance of transnationals: Interviews and press releases on that topic
- Frankfurt/Berlin: two big events took place
- It is planned to make the income tax system simpler → make it more just
- Book on tax havens by Sven
- Leaflets are produced on 12 topics related to tax issues
- Attac Germany is active on Tax matters, but not much activity under the name of the TJN, hope to start in beginning of next year

**Switzerland:**

- Press conference in May with good media coverage
- Press work (Widen interest on taxation to all citizens)
- political lobbying
- SSF: TJN was presented.
- Brochure is planned: Educate the public on how Switzerland encourages tax evasion in other countries
- Post card and email action to the Government

**U.K.**

1. Since November 2002 the UK group has largely focussed its activities on meeting its commitments to the work programme agreed at the ESF in Florence (NOV-02) and at the steering committee meeting in Geneva (JUN-03). These commitments included:
  - a. The preparation of the TJN declaration and agreement of the final draft;

- b. The launch of the TJN at the Palace of Westminster in March 2003;
  - c. The launch of the TJN Campaign Brief in September 2003;
  - d. Co-organising with the Association for Accountancy & Business Affairs the first annual TJN research workshop, which took place at Essex University in July 2003, attracting 40 delegates from 15 countries on four continents;
  - e. Developing relations with NGOs and SMOs and academics/researchers in Africa, Australia and North America;
  - f. Developing relations with NGOs, SMOs, faith groups, trade unions and other groups in the UK. This has not been our highest priority over the past 12 months, though we expect to give this higher priority in December 2003 and during the first quarter of 2004.
2. UK campaigning has largely proceeded under the following banners:
- a. The Association for Accountancy & Business Affairs, has produced a position paper making recommendations to HM Treasury in respect of its current review of the policies relating to the tax treatment of non-domiciled residents. AABA has also been campaigning in the national press for improved information exchange and has published articles about the extent of profits-laundering.
  - b. AABA supported ATTAC Jersey with the organisation of a conference in October 2003 in Saint Helier, Jersey, about the future of offshore finance centres and tax havens. The conference was also supported by ATTAC Saint Malo.
  - c. War on Want has produced a leaflet on tax havens and harmful tax practises, and is expected to engage in campaigning in early-2004.
3. The UK national campaign priorities for 2004 are:
- a. To continue the process of developing links with national SMOs, NGOs, faith groups, trade unions, etc;
  - b. To co-organise with AABA the second global TJN research workshop at Essex University;
  - c. To start fund-raising to support the national and global activities of the TJN.

## **US**

- Ralph Nader network
- Many companies open headquarters in the Bahamas f. e. . and make this new company to the parent company. The shares of the companies are changed into Bahamian shares.
- There are campaigns against this practice with support from unions, some regional politicians and share holders (Shareholder lose their rights, when the company goes to the Bahamas. The shareholder pay less taxes, but they have no right. Furthermore they have to pay taxes, when the shares are sold to companies in the Bahamas.)

## **Discussion on Cross Border Leasing (CBL)**

Contracts are not simple to judge. Municipalities sell to offshore companies or investors in the USA. Then the municipalities lease back. That happens because of the tax situation in the US.

In Germany, Austria and Belgium CBL is an important issue on municipal level. → direct context to tax justice and public services, working together with US NGOs would be important

## **2. Campaign issues – Discussion**

### ***Fundraising***

At the moment no one is collecting funds for TJN. John thought it is necessary to raise funds for international networking to ensure further development and to finance a secretariat. At national level there have been problems in fundraising for this purpose, although for example in Germany trade unions will fund tax justice-related leaflet. War on Want also will have problems financing in the future.

### ***Declaration***

Pete started with a short history of the declaration. After this the situation of each country in collecting signatories was brought up. Austria has started some activities. In Belgium a large network has collectively signed the declaration. In Finland nothing is really happening yet. Germany has started contacts for example to trade unions and churchly organisations. In Switzerland there are problems with signatures, so a lot of work is needed. However, the situation is promising. UK has had positive feedback but not really signatures. Working on church involvement, unions and NGOs is going to start soon. In the US collecting is starting.

Individual politicians shall sign but not parties.

Should the declaration be changed?

- Switzerland: Bank secrecy: The word has to be redefined. Only the aspect of taxation/information exchange should be included in the declaration. Suggestions and explanations are welcome.
- The topic of taxation of transnational corporations is not in the declaration. There should be more research about this subject.
- Trade unions have given positive feedback to the declaration.
- The decision was that the declaration should be revised in six to twelve months.

### ***Website***

Andreas informed us about the situation of the website. The website is available in five languages, the declaration will also be available in other languages. Articles shall be posted.

At the moment the declaration can be signed online or manually. A date will be sent out by which all manual signed declaration should be sent to the webmaster. Afterwards the declaration can only be signed online.

## **3. Strategy discussion on EU, OECD, UN and WSF**

### ***EU:***

There is no speaker on this topic.

### ***OECD:***

- Many experts on the taxation-topic
- The OECD made model text treaties. They are not available.
- A report on the exchange of information between tax authorities and tax authorities and banks (cross border) was published.
- A report on harmful tax practices is still in work. Report can not be published before all countries have signed. Switzerland will probably not sign the report.

### ***UN:***

Report on Recent Developments at the United Nations

1. The March 2002 International conference on Financing and Development at Monterrey, Mexico, recommended, inter alia, that measures be adopted to establish an "enabling environment for domestic and external financial resources mobilisation", strengthening international tax cooperation, enhancing dialogue among national tax authorities and promoting greater coordination of the work of the concerned multilateral bodies, "giving special attention to the needs of developing countries and economies in transition."
2. At the UN Meeting of Finance Ministers on aid, debt and international finance, held in New York, end-October 2003, UN Undersecretary-General for Economic and Social Affairs Jose Antonio Ocampo proposed that the UN was the only forum at which there could be a truly global dialogue on tax matters. The UN has said that moves to "close globalisation loopholes" are in line with the the campaign against transnational crime and international terrorism.
3. UN Secretary-General Kofi Annan proposed to the ministerial meeting at end-October 2003 that the Ad Hoc Group of Experts could be upgraded to an "intergovernmental body, in the form of either a committee of governmental experts or a specialised new commission." The new body would report to the UH's Economic and Social Council. This proposal might be discussed at a meeting of UN experts in Geneva in December.
4. A meeting of the 25-member Ad Hoc Group of Experts on International Cooperation in Tax Matters – the eleventh since 1967 – has been convened for 15-19 December 2003 in Geneva to advance the Monterrey agenda.
5. An approach has been made by the UK TJN to request observer status at the meeting of the Ad Hoc Group, and three members of the TJN have been nominated – Dr Andreas Missbach, Richard Murphy and John Christensen.
6. The provisional agenda for the Geneva meeting includes the following:
  - a. Mutual assistance in collection of debts
  - b. Treaty shopping and treaty abuse
  - c. Interaction of tax, trade and investment
  - d. Financial taxation and equity market development
  - e. Transfer pricing
  - f. Tax treatment of cross border interest income and capital flight
  - g. Electronic commerce and developing countries
  - h. Institutional framework for strengthening international tax cooperation
  - i. Revision and update of the UN Model Double Taxation Convention between developed and developing countries
  - j. Revision and update of the Manual for the Negotiations of Bilateral Tax Treaties between Developed and Developing Countries.

JEC" Notes from John

We accept observer status but it has to be made clear that we can't be confidential with information. Sven emphasized that people who represent the TJN can't be confidential and hide information, at least the steering committee has to be informed. Decisions have to be discussed and made together, the delegates have an obligation to report back. The basis text on which the delegates can act is the declaration.

**WSF:**

Two persons of the developing countries can be invited. Who?

#### 4. Open discussion

It seems sometimes that the TJN is only a British network, it is important to stress the international character of this network. Suggestion to change the name into international or global TJN. We decided on global TJN. But the Homepage won't be changed in the coming future.

It was also agreed that it is important to work more closely together with developing countries and to focus on their problems as f. e. corrupt tax systems. Networking with NGOs from developing countries has to be done.

The question was raised if the Steering Committee should be still open or work on a more formal basis. We decided to leave it open.

##### **Future activities, role of the network**

- network building
- no common campaign activities in the next 12 month
- get support for declaration
- position-paper (one page) with the key messages for lobbying has to be formulated. Key issues are "the global dialogue" and "automatic information instead of secrecy"
- change of name into global tax justice network
- all information we receive has to be spread

At the end Andreas presented his Flip-Charts with the **tasks** for certain persons and the whole group:

<b>what</b>	<b>who</b>
articles for the website	everybody, please sent it to Andreas
outreach	everybody should write articles, sent informations about tjn to other mailing lists, talk about tjn etc. steering committee should plan an outreach strategy
secretariat/funding (EU/US foundations)	Andreas will try to find volunteers to work on funding
contact members in global south	all
online signing as soon as possible	Andreas
new email-list for the steering committee	Sven
proposal on company taxation	Working Group? Are there any volunteers, for steering committee to bring forward
OECD: Intelligence	all – note Bruno Gurtner, Sol Picciotto and Jason Sharman are all monitoring the OECD initiative
tjn: position on new permanent UN body	John to report back in December 2003
support for declaration	all, national and local initiatives
one page position paper	John and steering committee (Andreas – what does this position paper refer to?)
opening to southern issues	Mumbai visitors, steering committee should develop a strategy