



# ECOSOC

United Nations Economic and Social Council

**TAKING ACTION TO IMPROVE LIVES**

**Statement by Ambassador Munir Akram, Permanent Representative of Pakistan to the UN and President of Economic and Social Council at the High-level Virtual Panel “AU Silencing the Guns initiative – the role of illicit financial flows in fuelling instability in Africa”**

New York, December 10, 2020

The link between illicit financial flows, development, peace and Security is well established. In Addis Abababa, we committed ourselves to eliminating judicious financial flows in the 2030 agenda, Illicit financial flows were included among the targets of SDG 16. And the Secretary General, in his roadmap of financing for development has difficulty regional cooperation to reduce and recover illicit flows, as one of the three priority targets.

We are all aware that each year, billions of dollars flow out of the developing countries in Illicit financial flows, the DSG has mentioned \$50 billion from Africa, I would say that an equally large, if not larger amounts are flowing out to developing countries, Asia and Latin America as well.

We commend Nigeria and Norway for taking the initiative last year to set up the FACTI panel. The interim report of the FACTI panel, which was launched in September that identified monumental responses that are lost to the to developing countries, the reading of the economic resources of developing countries, especially in the midst of the global crisis must stop.

These flows contributed during the planning and are now constitute a major obstacle to the achievement of the SDGs as well.

We look forward to a final report of the FACTI panel. I believe that the actions that will be required are very clear.

Firstly, the stolen assets of developing countries, including the proceeds of corruption bribery and other crimes must be returned forthwith without conditions or other legal or technical obstacles.

Secondly, safe haven countries must impose criminal and financial penalties on their financial institutions, which receive and utilize such money or assets, which are not proven to be legally earned, assets and money which have been transferred for the purposes of tax evasion or avoidance.

Third, the enablers of corruption and bribery, such as accountants, lawyers and other intermediaries must be closely regulated, monitored and held accountable.

Fourth, the beneficial ownership of foreign companies must be revealed immediately.

Fifth, it is essential to prevent multinational corporations from resorting to average shipping to low tax jurisdictions to avoid taxation, a global minimum corporate tax to prevent this practice.

Six, revenues from Digital transactions should be taxed with revenues are generated not elsewhere,

Distinguished guests and participants,

We must reverse the unequal investment, have been concluded by so many developing countries and set up a system for the adjudication of investment disputes.

Finally, all official and non-official bodies set up to control and monitor illicit financial flows must improve the future countries, and the United Nations should set up a mechanism to coordinate and supervise the work of the various official and non-official bodies which are dealing with illicit financial flows to ensure coherence consistency and equity in their work.

The African countries of the African Union have taken bold leadership on this issue starting with the AU ECA high level panel on illicit financial flows from Africa.

I believe that an international consensus must now be built to hold this practice, and to reverse the flow of resources from the developing countries.

We will try to endeavor in ECOSOC as the forthcoming FFD forum in April, as well as at the HLPF forum in July to include this issue, as one of the principal requirements for action to promote the SDGs in decade of action. Thank you very much.