

TRANSPARENCY AND ETHICS

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Transparency International Czech
Republic

Conference ANTIcorruption&fraud:DETECTION & MEASUREMENT
Prague, April 7 2017

WHAT IS TRANSPARENCY INTERNATIONAL?

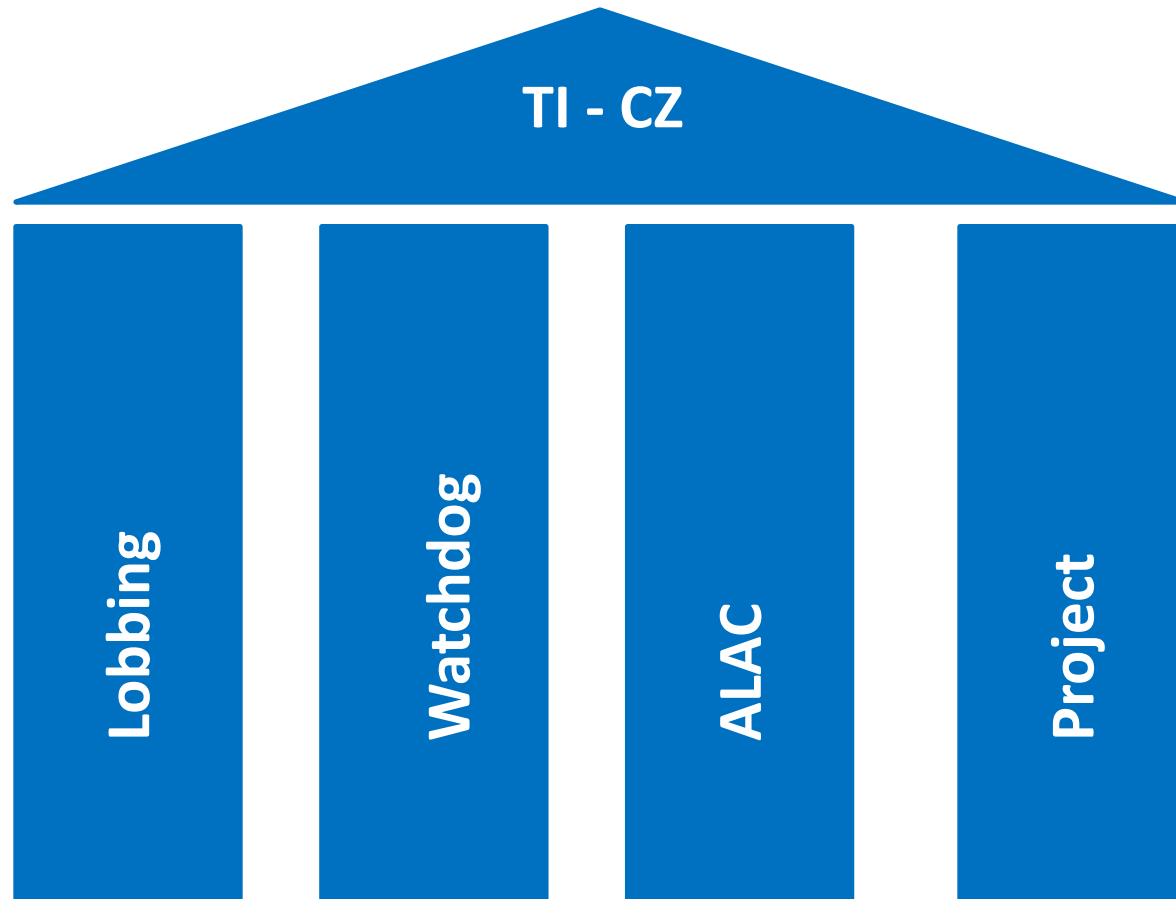
- Global coalition of anti-corruption NGOs
- Founded in 1993 by a few members of the World Bank
- Over 100 countries/chapters

Tackle and restrict the phenomenon of corruption at its global influence.



- Sectors:
Public procurement, Defence, Healthcare, Sport, Taxes, Legislation

TRANSPARENCY INTERNATIONAL CZECH REPUBLIC



CORRUPTION?

"The abuse of entrusted power* for private gain."

* State AND private sectors.
Public officials AND private employees.
Public Budgets AND private finances.
Local AND global.

FLAGSHIP OF TI - CPI

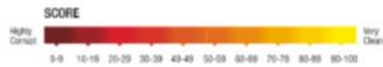
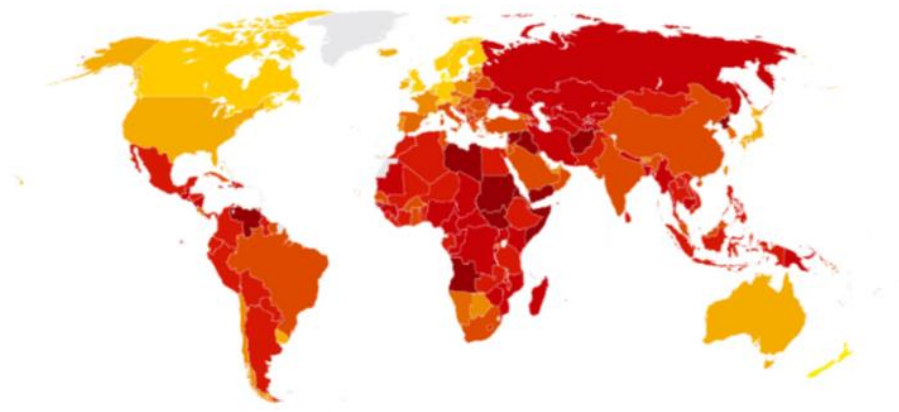
Corruption Perceptions Index

- Rate of corruption perception in the world based on expert opinions
- First launched 1995
- 12 (13) separate indexes
- Based on two previous years
- Widely used by multinational companies as a risk assessment tool for evaluation possible markets

CPI RESULTS 2016

 **TRANSPARENCY INTERNATIONAL**
the global coalition against corruption

- Global - 43 / Europe - 65
- Sweden - 88 (89)
- United Kingdom - 81 (81)
- Czech Republic - 55 (56)
- Belarus - 40 (32)
- Mexico - 30 (35)
- Russia - 29 (29)
- Kazakhstan - 29 (28)

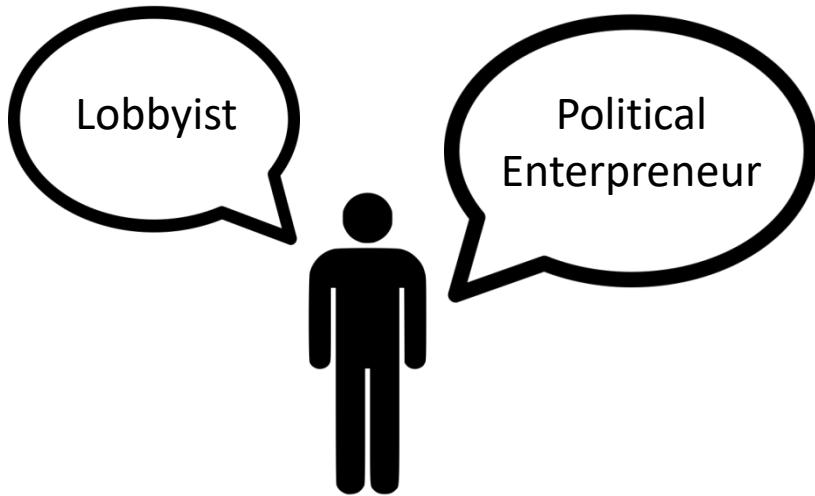


#cpi2016

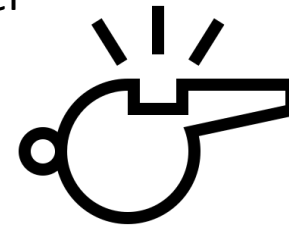
www.transparency.org/cpi

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TRENDING DEBATES

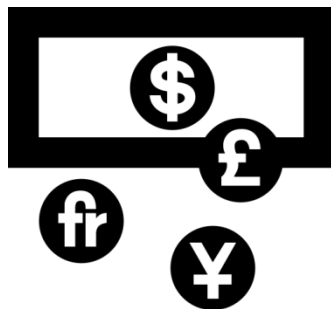


Whistleblower



Snitch

Bribe



Present

Tax optimisation

Tax planning

Tax mitigation

Tax evasion

Tax avoidance

Tax aggressive planning



TAXPARENCY

Financial manager is more successful, the less money will the company pay on taxes. Is it ethical?

lexperanto



TAXPARENCY

Bribes and corruption

A 2011 World Bank report “the Puppet Masters” investigated 150 corruption cases. Almost all involved the misuse of corporate vehicles to the tune of USD 50 billion.

Tax avoidance and evasion

According to OECD there are USD 2 trillion concealed in offshore tax heavens.

Rigged public contrast

Shell companies atax heavens are a means of carrying out manoeuvres in public tenders with complete discretion and in all impunity.

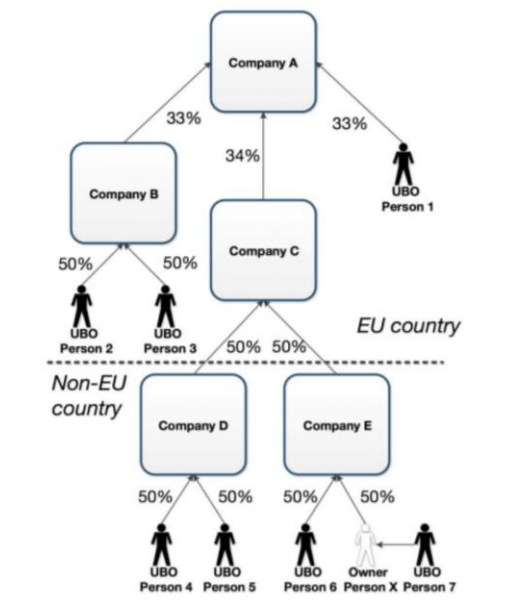
TAXPARENCY

... realised through:

- obscure intermediaries
- ononymousbeneficial owners
- shifting money to offshore tax heavens

TAXPARENCY

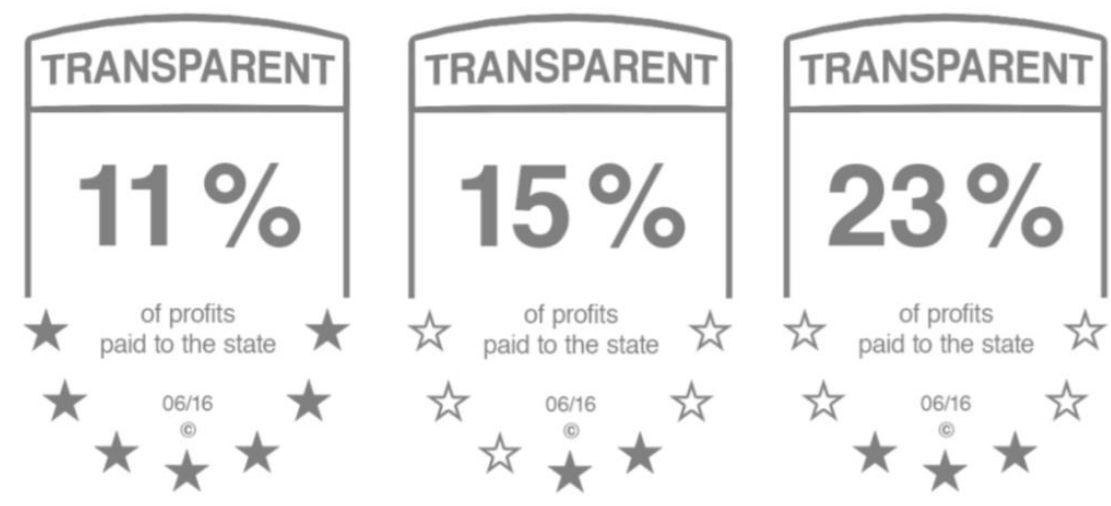
Disclosure of corporate ownership structures



. . . will expose the anonymous owners and obscure intermediaries.

TAXPARENCY

Display of the effective corporate tax rate ...



... will reveal if the corporation shifts profits to tax heavens.

TAXPARENCY



transparent mark

To be granted by
Transparency
International Czech
Republic
(as of autumn 2015)

More information on:
www.taxparency.eu

ULTIMATE BENEFICIAL OWNER

"UBO is the natural person who ultimately owns, controls or manages a legal entity, including those persons who pull the strings behind complex legal and fiscal structures, make key decisions and reap the benefits."

"Often, UBOs choose to remain anonymous by concealing their identity via complex legal and fiscal structures, including foreign shell companies and legal structures enhancing privacy, such as trusts."

A YEAR AFTER PANAMA PAPERS

One year ago a group of more than 300 journalists in 79 countries sent a powerful message to the corrupt: you can no longer hide.

The Panama Papers showed how a Panamanian law firm helped set up 214,000 secret shell companies, many of them used by corrupt politicians, criminals and tax abusers around the world.

One of the most galling findings in the Panama Papers leaks was how the corrupt live lavish lives of luxury with impunity.

As the Panama Papers showed, the combination of whistleblowers, big data and networked journalism is proving to be a powerful force for change. In coming years, governments will have to become more transparent, or increasingly they will find transparency forced upon them.

COUNTRY BY COUNTRY REPORTING

CbC Reporting is part of Action 13 of the OECD/G20 Base Erosion and Profit Shifting (“BEPS”) Action Plan and the EU Commission’s Anti Tax Avoidance Package.

CbC Reporting requires large multinational enterprises (“MNE”) to file a CbC Report that will provide a breakdown of the amount of revenue, profits, taxes and other indicators of economic activities for each tax jurisdiction in which the MNE group does business.

For the first time, CbC Reporting will give tax administrations a global picture of the operations of MNE Groups. Tax authorities can then use this information to perform high-level transfer pricing risk assessments and to evaluate other BEPS-related risks.



TI's TRAC reports



**Thank you for
your attention!**