

Micah Statement on the Panama Papers and Corruption

We are outraged at the **injustice** revealed through the information accessed in the leaked “Panama Papers”.

Recent figures advanced by the media highlight that **\$32 trillion dollars** (32 000 000 000 000) are hidden in tax havens. Such a figure is hard to imagine. It represents 575 times the GDP of Ethiopia, a country deeply suffering from poverty and drought. The International Community currently seeks funding to respond to Ethiopia, yet the International Monetary Fund (IMF) reports show that **\$300 billion dollars** of tax that should be paid to help developing countries is being siphoned off each year and stashed in tax havens.

Through the combination of low or no taxes, little financial reporting requirements, well-defended secrecy and lax regulation, tax havens have grown to the point where they control this incredible figure of US\$ 32 trillion dollars. Compare the \$50 to \$80 billion a year that flows as overseas development ‘aid’ to poor countries with the \$500 billion to \$800 billion that the World Bank estimates is being sent illegally out of these same poor countries. For every \$1 given across the table, the West has been receiving \$10 back under the table.

While claiming to extend democracy and the rule of law around the world, the US and the EU are turning a blind eye to a **financial system that is operating largely outside any framework of law and governance**. With the use of tax havens and other elements of a ‘shadow’ financial network, vast sums of illicit money is being transferred daily throughout the global economy virtually undetected. This money is generated by three kinds of activities: **bribery and theft; organized crime; and corporate accounting activities such as tax evasion and transfer mispricing on international trade**.

Those names in the Panama Papers may claim that what they do is “legal”. Laws made by the rich for the rich. This type of legality is a question of power not of justice. Apartheid was legal in South Africa. Slavery was legal. No one dares argue that they were just. Tax havens are simply not ethical or just!

The real impact of this is felt deeply by the poor, the vulnerable, the marginalised, and those caught up in conflict. Nations are held to ransom and locked in poverty, lacking the infrastructure to serve those in need.

For each life needlessly lost, for each dollar stolen, for each person exploited through unjust wages, God holds both nations and individuals accountable. **The stench of corrupt money held in hidden bank accounts pollutes our world.**

We call on world leaders to have the political courage, the moral integrity and a genuine concern for the poor to act and stop this theft! This will require the adoption of fair policies and transparent governance practices that can be scrutinised by all. The pledge by 6 countries to at the London Summit on Corruption (12th May 2016) to use a public register of beneficial ownership is a small step in the right direction.

We call on our leaders, national, regional and local, our business leaders and our church leaders, to lead by example and ensure that all citizens are treated equally before the law, not allowing the tax burden to be transferred from the richest to the poorest.

This statement seeks justice and transparency, equality and equity. When Zacchaeus the tax collector, was confronted by Jesus Christ he changed and gave back 4 times what he had stolen (Luke 19:1-10). We invite each person hoarding funds in tax havens to respond accordingly. Then real transformation will have come to our world.

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*What does the Lord require of you but to do justice,
to love mercy and to walk humbly with your God –
Micah 6:8*

About Micah: www.micahglobal.org

Micah is a global network and movement with a vision to see communities living life in all its fullness, free from poverty, injustice and conflict. In 2014 Micah was part of the campaign **EXPOSED: Shining a Light on Corruption**, which culminated in petition to G20 World leaders who met in Brisbane in November 2014:

To G20 leaders,

We call on you, as leaders of the world's largest economies, to take practical steps that promote greater transparency in the financial affairs of business, government and individuals.

We are concerned that the tax evasion activities of some multinational companies and individuals as well as the corrupt use of funds by government officials, are having adverse effects on the world's poorest people.

Please increase the ability of citizens worldwide to hold their own governments to account for the revenue they receive from taxes and all other payments, helping to ensure that resources are shared fairly and all people have the opportunity to flourish.

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