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## **Global Witness calls on Congress to pass Tax Havens Bill to curb money laundering and tax dodging**

[Global Witness](http://www.globalwitness.org) [www.globalwitness.org] welcomes today's introduction of legislation that would help combat offshore secrecy, tax evasion and corruption, and urges its swift passage into law. The Stop Tax Haven Abuse Act, introduced by Senator Levin, would make it harder for individuals and companies to avoid paying their taxes, and would close loopholes that currently allow U.S. professionals to facilitate money laundering, including by corrupt officials.

The bill includes a toolbox of measures designed to clamp down on abusive tax haven practices. It would also require hedge funds, private equity companies, and company formation agents to carry out checks on their customers to ensure that they are not engaged in money laundering, bringing them under the same obligations that currently apply to banks.

These types of financial institutions and professionals are currently open to abuse by corrupt politicians seeking to avoid the existing anti-money laundering obligations that only apply to banks.

"Not only would this bill help the U.S. to clamp down on its own tax evaders, but it would make it more difficult for corrupt rulers from poor countries to loot their treasuries and stash their ill-gotten gains offshore with the help of U.S. professionals," said Stefanie Ostfeld, Global Witness Policy Advisor.

This bill includes a number of provisions to curb tax evasion and illicit financial flows, including:

- Allowing the U.S. government to take action against uncooperative tax havens.
- Requiring hedge funds, private equity funds and company formation agents to screen their clients and offshore funds to prevent corrupt and other types of illicit finance from being laundered through the U.S. financial system. This would close a dangerous loophole in U.S. anti-money laundering laws.
- Requiring U.S. listed companies to report annually on financial performance on a country-by-country basis, which would show how they shift profits into tax havens.
- Treating non-publicly traded offshore entities as controlled by the U.S. tax payer who formed them, sent them assets, received assets from them, or benefited from them, unless the taxpayer proves otherwise, which would help to reduce use of offshore centers by U.S. tax cheats.

"Any attempts to hinder the offshore world's facilitation of corruption are welcome," said Ostfeld. "The Arab Spring has shown how corruption leads not only to poverty but to social unrest and violent uprisings, with consequences for U.S. national interests and security."

### **Ends**

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**Global Witness investigates and campaigns to prevent natural resource-related conflict and corruption and associated environmental and human rights abuses**