

## Open letter to the European Tax Summit, being held on Wednesday, May 22nd, 2013

by Bishops **Gabriel Mbilingi**, President of the Bishops Conference of Angola & São Tomé and Príncipe, and  
**Dr. Ludwig Schwarz**, President of the Coordination office of the Austrian Bishops' Conference for  
Development and Mission (KOO)

The world has been recently moved by accounts of how the wealthy in our societies, citizens and transnational companies have failed to contribute their fair share, through tax evasion and avoidance. We welcome the prompt political reactions to these reports, which need to be followed by political decisions. Every year countries all over the world lose billions in potential revenue, with average annual illicit outflows from developing countries averaging \$725 billion to \$810 billion per year according to credible institutions such as Global Financial Institutions. The situation of poor countries in particular, and their need of this money to invest in their people, deserves particular attention. The challenge to turn around the tide on this injustice and put in place the structural reforms needed to counter tax evasion and opacity of the financial system is urgent. You as Heads of State have an important moral and political responsibility in this regard. The call of Pope Paul VI to you, public officials more than 40 years ago is very relevant today:

"Government officials, it is your concern to mobilise your peoples to form a more effective world solidarity, and above all to make them accept the necessary taxes on their luxuries and their wasteful expenditures, in order to bring about development and to save the peace." (Populorum Progressio, 84).

We welcome the letters of European Council President Herman Van Rompuy and the host of the G8 in 2013 where this responsibility is addressed. We hope that their letters' intentions will be translated into concrete political commitments at the European and international level. In particular we would like to draw your attention to these recommendations:

- Create an international standard on Automatic Information Exchange on financial data transparency to enable tax authorities including those outside the EU and OECD to ascertain the liabilities of their countries' tax payers whether they are companies or individuals following the already existing US FATCA legislation.
- To improve transparency and enable access to information, create national and regional registers of bank accounts readily accessible to tax, financial and judicial authorities in every jurisdiction and collect data about beneficial owners of legal arrangements such as companies, trusts and foundations etc. in public registries.
- Require all companies that receive public subsidy or awarded procurement contracts to fulfil strict country by country and project by project transparency requirements.
- Strengthen existing rules on fighting tax fraud and illicit financial flows to address the responsibility of individual financial intermediaries involved.

We call upon you to fulfil your moral responsibility as Heads of State to take actions that are right and just to serve the common good.

Signed,

Mgr. **Gabriel Mbilingi**, Vice President of SECAM, Head of Justice, Peace and Development Department and President of the Bishops' Conference of Angola and São Tomé e Príncipe

Mgr. Dr. **Ludwig Schwarz**, Bishop of Linz, Austria and President of the Coordination office of the Austrian Bishops' Conference for Development and Mission (KOO)

This call is supported by the international alliance of Catholic development agencies  
CIDSE Contact: Jean Saldanha, [saldanha\(at\)cidse.org](mailto:saldanha(at)cidse.org)

