

RESOLUTION ON THE MISUSE OF OFFSHORE COMPANIES

The flow of ideas, capital and persons is a fundamental element for human development in general and economic development in particular.

This regime of freedom, however, is prone to misuse by organized crime and by entities that in fact seek to destroy freedom and democracy. Likewise, it can be used by persons seeking to circumvent their economic responsibilities towards third parties or states.

In the matter of so-called “offshore” or overseas jurisdictions, IDC-CDI supports the idea that is proper for responsible states to craft their legislation in a way so as not to be abused by criminal and terrorist organizations and contrary to democracy and freedom at large by secretly moving capital thus concealing the origins of that capital. Nevertheless, it recognizes that the correct use of legitimately acquired capitals, in accordance with their legal and contractual obligations should be protected.

On the issue of the recent media revelations by the International Consortium of Investigative Journalists (ICIJ), which have exposed the possible misuse of offshore jurisdictions by persons and personalities of different countries for covering up capital that may be the result of fiscal evasion or activities connected with organized crime

The IDC-CDI:

- Manifests its support for transparency and the bringing to account all those who have been mentioned in this type of activities ;
- Expresses its total commitment to international law and calls on all countries to endorse and comply with all relevant agreements and to establish the necessary mechanisms for the exchange of information as well as to coordinate the tasks between subscribing states to effectively combat all activities that are contrary to law and international order ;
- Recognizes that Panama has enacted significant reforms since the fall of the Noriega regime in order to transform its judicial system and strengthen its institutions with the aim of impeding that its legal and fiscal regime be abused in this manner. It also notes that the government of Panama has announced the establishment of an international panel of experts headed by Nobel Prize Winner Joseph Stiglitz and the expert in the fight against economic delinquency Mark Pieth, in order to determine if the Panamanian system is sufficiently robust to tackle these problems or whether additional reforms must be made on the issue, and if the Panamanian institutions perform adequately with respect to calls for international cooperation to combat criminal activities ;
- Demands that competent state authorities be fully committed to integrity in the exercise of government, thus guaranteeing full compliance with existing tax laws in the respective countries ;
- Exhorts international cooperation among governments and multilateral organisms in order to strengthen the institutional capacities of states which have regulatory weaknesses in the fiscal and financial spheres, in order to facilitate a better investigation of relevant facts ;
- Calls for progress in the field of international agreements in order to outlaw all fiscal paradises

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