

Introduction

Transparency is at the core of the demand for tax justice. But what is it? What do campaigners mean when they say they want increased transparency? This paper seeks to provide a concise answer to that question, but each dimension of transparency, noted below, will be the subject of an additional briefing sheet to provide greater detail on just what it might mean in practice.

The 11 steps to financial transparency

Tax justice cannot happen by chance. To achieve it information is needed. That means all potentially taxable people, whether they are human beings or legal entities created under law, must be transparent about what they do, are and have done.

Financial transparency exists when the following information is readily available to all who might need it to appraise transactions they or others might undertake or have undertaken with another natural or legal person:

1. Who that other person is;
2. Where the person is;
3. What right the person has to enter into a transaction;
4. What capacity the person has to enter into a transaction;

And with regard to entities that are not natural persons:

5. What the nature of the entity is;
6. On whose behalf the entity is managed;
7. Who manages the entity;
8. What transactions the entity has entered into;
9. Where it has entered into those transactions;
10. Who has actually benefited from the transactions;
11. Whether all obligations arising from the transactions have been properly fulfilled.

Only when these questions can be answered on timely basis and at low or no cost by anyone who wishes to make enquiry does financial transparency exist.