

**Joffe Retreat Report:
Proposals for Collective Action on Tax Reform and Corruption, 2020 - 2025**
10th February 2020

Executive Summary

This report presents the proposals developed at the Joffe Retreat, 21st – 22nd January 2020, held at Great Missenden, UK.

The retreat brought together leading UK civil society activists in the fields of tax reform and anti-corruption work, with the aim of achieving more together in the context of the UK's new government. Some colleagues from outside the UK participated. Discussions were organised in three working groups: UK tax reform, UK anti-corruption work and Global tax reform.

Participants discussed their shared priorities, rather than all their planned work. They recognised that they were not representative of all stakeholders, particularly in the Global tax reform group. Proposals will need to be discussed further with others. Specific language will need further work to appeal to existing allies, the new government and the public.

Proposals: UK Anti-Corruption Working Group

Draft goal for the next five years: "The UK shows leadership in setting and following gold standards on integrity and fairness".

Priorities for new collective work:

- The UK's Magnitsky-related sanctions regime,
- Reforming the enabling professions (e.g. accountants and lawyers),
- The government's Constitutional Commission,
- Reforming corporate liability.

Priorities for continued collective work include: enforcement, the UK's offshore financial architecture and public engagement. Additional capacity will be needed in the following areas: legal capacity, public engagement and coordination around the sanctions regime. The BOND Anti-corruption group is the key mechanism for on-going coordination.

Proposals: UK Tax Reform Working Group

Draft goal for the next five years: "The UK to be the world's No. 1 champion of: tax justice, celebrating good tax conduct & celebrating what tax pays for."

Priorities for collective work:

- New narrative framework covering tax evasion / avoidance / planning,
- 50 active local tax justice groups, 250 events in Fair Tax Week, 50 business tax champions & 20 celebrity tax champions,
- Mobilise institutional investors and create culture shift among tax & accounting professionals,
- Achieve two convictions for tax abuse.

By 2025, the government will have passed legislation and be delivering on:

- Equalising taxes on wealth and work.
- Taxing corporate profits at a higher effective rate.

- Reforming UK tax reliefs.
- Providing resources and political support for HMRC to manage the UK tax system more effectively.
- Tackling the role of professional gatekeepers.
- Reducing the role of the UK overseas territories and crown dependencies in tax avoidance and unethical financial practices.

Additional capacity will be needed in the following areas: supporting grassroots groups, outreach to investors, spillover assessment, calling out negative steps, policy development, political advocacy, and technical engagement. The working group will consider who else should be included in these discussions. They will meet again in two months to review plans after the 11th March budget and decide whether to appoint a coordinator.

Proposals: Global Tax Reform Group

Over the next five years, global tax justice could entail:

- Progressive achievement of the 4 Rs of tax across countries (Revenue, Redistribution, Re-pricing & Representation)
- Representative global governance of international taxation that facilitates the redistribution of taxing rights between countries.

Civil society should develop a network of strong organisations across select G24 / G77 / G20 countries with the following priorities:

- Develop and promote a common policy agenda,
- Map civil society leadership and key political dynamics,
- Respond to international processes,
- Flexibly resource priority work in different countries,
- Facilitate shared understanding among governments.

Southern government positions and capacity could potentially be supported by:

- A Southern expert body,
- Countering obstruction in rich countries,
- Developing and promoting a different narrative framing,
- Evaluating international tax reform proposals from a Southern perspective,
- Facilitating south-south collective action.

Other issues

Participants also discussed:

- strengthening enforcement agencies and actions in the UK,
- reforming key enabling professions, such as accountants, tax planners and lawyers,
- supporting reform in the UK's overseas territories,
- ensuring a continuing stream of investigations and evidence,
- engaging in strategic dialogue with funders.

Participants gave very positive feedback on the retreat. The Joffe Trust will work with them to follow up discussions and expects to repeat the retreat next year.

[End of Executive Summary]

1. Introduction

This report presents the proposals developed at the Joffe Retreat, 21st – 22nd January 2020, held at Great Missenden UK.

The retreat brought together leading UK civil society activists in the fields of tax reform and anti-corruption work, with the overall aim of achieving more together. The main focus was UK based reform. The opportunity was also taken to discuss some aspects of wider global reforms. A number of colleagues from outside the UK participated, and funder representatives attended the closing session. Discussions were organised in three working groups: UK tax reform, UK anti-corruption work and Global tax reform.

This report presents the proposals for collective priorities developed by each working group. They include shared objectives for the next five years. In the two UK groups, these are supported by priorities for building capacity and on-going coordination. Concrete next steps are identified in these groups, with the intention that the objectives will be actively pursued by participants in the coming months and years. The global tax reform group identified a draft approach to discuss with wider stakeholders.

The report opens with a short overview of the process of holding the retreat. After presenting each groups' proposals, it summarises other discussions held on: enhancing enforcement in the UK, addressing the key enabling professions and continuing to support transparency in the UK's overseas territories. Three appendices provide: a list of participants, a summary of insights on the operating context with the UK's new government, and feedback from participants.

2. The Retreat

The objectives of the retreat were to:

- Develop a shared strategic analysis of opportunities, threats and priorities, particularly in the light of the UK's new government.
- Strengthen collective action within each working group, including by identifying high level objectives for the next five years.
- Strengthen relationships within civil society, including with funders.

In total, 29 people participated in the retreat, including three from the Joffe Trust and two facilitators. An additional six representatives from funders joined the final session. Expert speakers provided stimulating input. Discussions at the retreat were organised in three working groups: UK tax reform, UK anti-corruption work and Global tax reform.

Participants recognised that they were not representative of all relevant stakeholders, particularly in the Global tax reform group. In many cases, plans will need to be developed further with others.

The retreat was designed in dialogue with participants, with a short survey in August 2019, one-to-one discussions and a preparatory webinar in mid January 2020. Participants contributed £300 each to join the event, about 50% of the direct costs of their attendance. Participatory approaches were used at the event, with the aim of each group taking ownership of their agendas for collective action.

The agenda and background papers are available at:

<https://joffetrust.org/joffe-retreat-2020-corruption-tax-reform/>

3. Proposals

This section summarises the proposals that each working group identified for collective action over the next five years.

3.1 UK anti-corruption working group

The group identified an overarching objective for their work over the next five years: “The UK shows leadership in setting and following gold standards on integrity and fairness”.

The precise language will need further work to appeal to existing allies, the current government and public constituencies. Terms such as open, fair, beacon, Global Britain, sterling standard, trusted and world-class were explored. Participants noted the need to avoid tipping over from patriotism into colonialism. Wording should be tested, including through focus groups.

Priorities for collective work

The working group identified four priority areas for collective work with potential for progress in the current context:

1. Deterring corruption through an effective and victim-centred Magnitsky-type sanctions regime.
2. Reforming gatekeeper-enabling professions so they act in line with their founding values.
3. Promoting democratic good practice in the government’s Constitutional Commission exercise.
4. Reforming corporate liability, including a ‘failure to prevent’ economic crime offence.

The group identified the following areas on which continued collective work is essential, although opportunities for progress are less clear:

1. Enforcement: including capacity, resources, skills and incentives in enforcement agencies; changes to sentencing guidelines; compensation principles; post-Brexit debarment and suspension regime; senior executive accountability.
2. The UK’s offshore financial architecture: transformed into a mechanism for combating global corruption and illicit finance through effective tools, policy actions, robust implementation and enforcement.
3. Public understanding about the nature of corruption and its harmful effects to them and people abroad (terms like fraud, backhanders etc are better understood than corruption).

Priorities for developing capacity

The group identified the following areas for strengthening capacity in the UK anti-corruption field:

1. Increasing the legal capacity of UK anti-corruption sector. The Centre for the Study of Corruption and International Senior Lawyers Project will develop a note, run a seminar and write up a paper. This would include learning from legal experience in other NGO sectors (e.g. trafficking, children’s rights). It will form the basis of a funding proposal.

2. Scoping the potential for new public engagement on anti-corruption. The Joffe Charitable Trust will consider commissioning a scoping study on the potential for new public engagement on anti-corruption, to (a) a mid-sized audience of sympathetic professionals and (b) a wider section of the general public. This may be via a new organisational vehicle or build on existing initiatives.
3. Co-ordination around engagement with new sanctions regime. RAID, Spotlight, Redress and others will identify how best to seize this opportunity.

Other ideas included developing capacity to: engage with institutional investors, train government officials, run popular campaigns and trace assets across borders.

Coordination

The BOND Anti-corruption group is the key mechanism for coordination in the UK anti-corruption field. Many but not all of the participants in this working group are active members of it. It will have more capacity with the new coordinating position at TI UK. The group is in transition and is considering its future, including potentially moving outside BOND and developing formal structures for engagement, such as a statement of values and / or an elected steering group. As co-chair, Sue Hawley will take these proposals forward with the BOND group.

The working group included colleagues from human rights organisations. This brought important insights and an increased focus on justice and restitution for the victims of corruption. It was noted that colleagues and partners from other fields would bring other valuable insights, and attention should be paid to this in future.

3.2 UK tax reform working group

The group identified an overarching objective for their work over the next five years: “The UK to be the world’s No. 1 champion of: tax justice, celebrating good tax conduct & celebrating what tax pays for.”

The precise language will need further development, as in the anti-corruption group.

Priorities for collective work

By 2025, the UK tax reform field will:

- develop a new shared narrative framework, with sub-narratives as needed e.g. to cover tax evasion / avoidance / planning,
- have 50 local active tax justice groups,
- run 250 local events per year during Fair Tax Week and Tax Justice Sunday,
- have 50 tax champions from the business community [NB have to get the right tone from business. Small business may not be strong allies.]
- have 20 celebs active as tax champions [inc for social media campaigns],
- increase by x% the proportion of UK public that believe that tax is good,
- mobilise institutional investors [from 2021] and create culture shift among professionals [tax & accounting],
- build infrastructure (people and spend) to deliver the above,
- achieve 2 convictions.

By 2025, the government will have passed legislation and be delivering on:

1. Equalising taxes on wealth and work.
2. Taxing corporate profits at a higher effective rate.
3. Reforming UK tax reliefs.

4. Providing resources and political support for HMRC to manage the UK tax system more effectively.
5. Tackling the role of professional gatekeepers.
6. Reducing the role of the UK overseas territories and crown dependencies in tax avoidance and unethical financial practices.

Tactics

- Identify and target MPs, especially Conservatives.
- Engage and shape the media narrative on tax.
- Develop / find policy detail.
- Produce a UK spillovers assessment.
- Find business champions.
- Build and support the ecosystem of NGOs, think tanks, charities, academics and tax professionals.
- Challenge negative developments, e.g. freeports and other harmful policies

Priorities for capacity development

- Local groups / grassroots. E.g. through Church Action for Tax Justice.
- Project funding for outreach to the investor community.
- Develop, publish and test a spillover assessment at a cost of approx £100k.
- Calling out the bad stuff. Build on TaxWatch, Oxfam and Tax Justice Network's work.
- Policy development and political work / advocacy.
- Technical engagement, feeding into standards and policy consultations.

Next steps

- Find a way of improving our internal communications / coordination. Map the network. Consider a funding pitch for a paid part-time coordinator role.
- Coordinate our challenge to the "bad stuff" better, e.g. including Oxfam's work and Tax Justice Network's work on the race to the bottom.
- TJ-UK to organise a meeting in two months time to review plans after the 11th March budget and make a decision about whether we want a coordinator sitting in TJ-UK.
- Set up an email list for the UK tax reform group.
- Identify who else should be in the UK tax reform group.
- Think about shared funding bids.

3.3 Global tax reform group

The group identified what global tax justice could look like over the next five years and key steps to achieve it. Their conclusions are presented below as a contribution to on-going dialogue with a wider group of stakeholders about practical next steps.

Global tax justice entails:

- Progressive achievement of the 4 Rs of tax across countries at all income levels. (The 4 Rs are: Revenue, Redistribution, Re-pricing & Representation).
- Representative global governance of international taxation that facilitates the necessary redistribution of taxing rights between countries.

Civil society organisations can help achieve this, working with and in support of lower income governments.

Civil society network

Civil society should develop a network of strong organisations across select G24 or G77 states and G20 countries. The network should coordinate work across the following priorities:

1. Develop and promote a common policy agenda built on existing positions (see below).
2. Map existing civil society leadership on tax justice in key countries, along with key political moments / dynamics & media / influencers.
3. Identify & respond to key gaps & opportunities in relation to international processes.
4. Flexibly resource or support national work, to make use of moments of national outrage and political opportunity
5. Facilitate shared understanding / joint positions, or a coalition, among willing governments in relevant negotiations.

The common policy agenda could build on the following:

- Automatic Exchange of Information (*fully multilateral*)
- Beneficial Ownership *for companies, trusts and foundations, in fully public registers*
- Country-by-country reporting, *fully public, by multinationals in line with Global Reporting Initiative tax standard*
- Disclosure: *transparency, including parliamentary scrutiny, for ...*
- Enforcement: *fully resourced, independent national tax authorities and other agencies*
- Formulary apportionment: *support to move towards a unitary tax approach*
- Global Asset Registry (GAR)
- Nationally owned targets (aligned to SDG 17.1?) for revenue (tax/GDP ratios), progressiveness of revenue-raising (ratio of direct to indirect tax, and/or pre-tax vs post-tax Palma ratios), corporate tax (ratio to GDP)...

In addition, the network should develop a clear tax justice position in response to the climate crisis.

Shared government positions

Shared government positions are necessary for effective action on taxing multinational companies. Governments also require appropriate technical capacity in this area. These priorities could be supported by:

- A Southern expert body to develop knowledge & evidence, and engage forums of states (“A radical IBFD”).
- Countering (extreme) obstruction in rich countries, e.g. by business or other interests.
- Carbon Taxation - potentially significant role & relation to mobilising.
- Developing and promoting a different narrative framing.
- Evaluating international tax reform proposals from a Southern perspective.
- Facilitating south-south country collective action.

4. Other issues

Participants held further discussions on a number of priority issues, summarised in this section.

4.1 Enforcement

- There is appetite to bring specific cases to enforcement agencies, with the aim of triggering regulatory actions / prosecutions.
- It would be useful to coordinate targets and go after them collectively, and also to share intelligence about cases, maintain a database of cases (live or unactioned) and good examples of how to make effective complaints. An annual 'enforcement' report could be published, drawing on cases during the year.
- It is useful to build relationships with investigation officers and enforcement agencies, e.g. getting in touch with them early to let them know what's coming.
- Criminal outcomes are difficult to achieve, so consider alternatives.
- There's scope to complain to professional associations (e.g. ICAEW), as well as Companies House (if accounts are misleading), NCA, HMRC etc. Private prosecutions could be launched if someone is harmed. The Treasury Select Committee could be approached e.g. on Standards in Public Life.
- TaxWatch is considering writing regularly to HMRC (Head of Intelligence) about tax cases and occasionally publishing these letters (with legal advice), so that after a while HMRC could not ignore them. TaxWatch would seek guidance from HMRC on what information / format is useful. They could log all cases.

4.2 Enablers

- There is an appetite to address the role played by key enabling professions, such as accountants, tax planners and lawyers. Initiatives could be constructively framed in terms of reconnecting professions with their founding public ethics, rather than an attack.
- There is interest in setting up a civil society initiative focused on audit & accountancy. It should ensure that reform and accountability processes are no longer captured by vested interests in the profession. It should aim broader than accountancy and the Big 4. The next tier of firms actively sell similar services. There is also a need to improve accounting standards, ethical codes & financial reports. This should build on the research recently commissioned by Luminate, due for publication imminently.
- It may be useful to set up a shared database of cases, track enforcement agencies' work, pool resources and identify allies to work with.
- It is also a priority to look at how to engage with the legal profession and major law firms.

4.3 Overseas Territories and Beneficial Ownership

- Participants noted that there is some initial talk that the UK government may change their priorities around beneficial ownership registers in the OTs. We need to ensure that the government follows through on existing commitments and its global leadership on Beneficial Ownership.
- The City of London is concerned about continued access to EU financial markets after Brexit and could become an ally on this.
- The Order of Council will need attention and we may need to actively strengthen government and Conservative support for this work. We should also pay attention to this work in the Crown Dependencies. It may be useful to work the Joint Anti Corruption Unit and other officials on this.

4.4 Investigations and evidence

- There was continued support for the recommendations of the 2019 retreat for “urgent mass public engagement”, “a stream of impactful investigations” and “strengthening academic evidence”.
- There remains a need to build capacity in selected countries to generate evidence of the issues in ways that resonate with the public and generate political pressure for policy change.
- This could include case studies of corporate behaviour that are: accessible to non-experts, designed to attract media attention, cover topics supported by a range of allies, and demonstrate concrete problems that need to be fixed.

5. Funders

Six representatives from funding organisations joined the last two hours of the retreat. They met participants and briefly discussed the proposals outlined in this report. The goal was to enable strategic dialogue and improve joined up decisions about strategic resource allocation. There is scope to take this further, deepening the dialogue in the light of funder priorities and involving more people.

The Joffe Trust offered the following support to participants:

- potentially organising a webinar for funders to discuss this report, and continuing bilateral discussions with funders on tax and corruption work.
- supporting participants to follow through on the plans developed at the retreat (potentially with follow up meetings in person or on-line) and explore the fit with funders’ priorities and develop specific proposals.
- organising another similar retreat in twelve months time.
- discussing specific funding applications that could be brought to the Trust’s next board meeting. The deadline for applications is 10th April.

Appendix 1: Participants

Name	Organisation	Working Group
Anneke van Woudenberg	RAID	Corruption
Duncan Hames	Transparency International UK	Corruption
Eva van der Merwe	International Senior Lawyers Project	Corruption
Hera Hussain (day 1)	Open Contracting Partnership	Corruption
Liz David-Barrett	Centre for the Study of Corruption	Corruption
Mark Hays	Global Witness	Corruption
Robert Barrington	Centre for the Study of Corruption	Corruption
Rupert Skilbeck	Redress	Corruption
Sue Hawley	Spotlight	Corruption
Alex Cobham	Tax Justice Network	Tax - global
Daniel Bertossa	Public Service International	Tax - global
Dereje Alemayehu	Global Alliance for Tax Justice	Tax - global
Jason Braganza	International Senior Lawyers Project	Tax - global
Martin Hearson (day 1)	International Centre for Tax & Development	Tax - global
Nick Matthiason	Finance Uncovered	Tax - global
Oli Pearce	Oxfam	Tax - global
Sargon Nissan	Financial Transparency Coalition	Tax - global
Tommaso Faccio	ICRICT	Tax - global
George Turner	Taxwatch	Tax - UK
John Christensen (day 2)	Tax Justice Network	Tax - UK
Justin Thacker	Church Action for Tax Justice	Tax - UK
Paul Monaghan	Fair Tax Mark	Tax - UK
Richard Murphy	Corporate Accountability Network	Tax - UK
Robert Palmer	Tax Justice UK	Tax - UK
Alex Jacobs	Joffe Trust	-
Carin Lake	Joffe Trust	-
Nick Perks	Joffe Trust	Facilitator
Rachael Clay	Ethicore	Facilitator
Jo Zaremba	Ethicore	Facilitator
Funders	22nd Jan, final session	
Andrew Clarke	Luminate	
Anne Robbins	Network for Social Change	
Ben Stewart	Potter Foundation	
Charlotte Morris	Standard Life Foundation	
Katharine Knox	Joseph Rowntree Charitable Trust	
Max Tucker	Open Society Foundation	

Appendix 2: Context

Peter Jukes (Byline Times) gave an introductory talk about oligarchs' influence in the UK, and the role of 'information warfare' in degrading political discourse and trust in our political process. He argued that they are pursuing their own interests rather than a free market agenda. The enforcement apparatus is not holding them to account. But they can be tackled through investigations, commitment to the validity of evidence and the rule of law, and through their reputations.

A panel spoke on engaging with the new British government, comprising: James Dray, (Brunswick Group), Ruth Fox (Hansard Society), Tabitha Morton (More United), Mark Hays (Global Witness, standing in for Gary Kalman on the FACT coalition).

They discussed how to achieve progressive policy reform with the current government. Campaigners should think carefully about the specific reforms they focus on, and the political incentives and personal influencers of decision makers in government. They could aim to "make Boris the best Boris possible".

The government's incentives include defending Conservative gains in newly won Northern seats. They are more working class than many traditional Conservative voters. Focus groups say that they are angry with tax avoiders, bankers and tech companies. But they are pessimistic about the potential for real change and have a sense that 'things are getting worse'.

The executive feels powerful, with a large majority. It is likely to become more powerful still with Brexit. Campaigners should focus on influencing it more than parliament. However, backbench Conservative MPs may have more freedom in this context. Many will be keen to make their mark and drive positive change. So opposition may come from within the Conservative party. It is not yet clear how the government will manage any internal opposition. Cross party alliances can be built by focusing on issues rather than parties.

Brexit legislation may not be well scrutinised. 140 MPs are new to their job. 74% of MPs were first elected in 2010 or later, so the House of Commons as a whole has little experience of working with a single-party government with a large majority and what that means for their role. The House of Lords may become more assertive. Select Committees may be disrupted by reshuffles, so they will probably only get up and running in earnest from mid-to-late April.

Campaigners should ask themselves why the government would bother speaking to them, when there are so few right of centre voices in their ranks. Conservative thinkers and activists should be engaged and involved in campaigns from the start, who can speak authentically to the government on their own terms. We should make sure that our organisations are politically diverse and not just mirrors of ourselves, so as to get beyond political tribalism.

There is no substitute for detailed research into MPs' interests, advisors and allies, to find creative ways of reaching them. They may be receptive to social media. The Telegraph and Spectator are influential (particularly for Boris Johnson). Polling and focus group results are a powerful way of showing what key constituencies think about our issues. It not always expensive, e.g. [BritainThinks](#).

We will know a lot more about the government's real priorities and One Nation tendencies after the February reshuffle and the 11th March budget. We may need to

restrategise quickly then, with a clearer sense of issues to defend and areas of potential progress.

Good sources of information include: [Politico's daily update](#), Parliamentary & government websites, the Hansard society, and the Telegraph & Spectator. Participants were challenged to spend a day week reading only media and analysis they disagree with, rather than things they agree with.

Participants identified other key factors in the current context, including:

- The climate crisis and rising inequality, and the potential to build alliances in these fields.
- The limited capacity of government to deliver on tax and anti-corruption agendas, with the disruption created by Brexit and the new government.
- Threats to the rule of law and democratic institutions in the UK.
- The UK's changing role in the world, including regulatory changes driven by Brexit, and the impact of UK trade agreements.
- The international political context, rise of populism and potential undermining of multinational institutions and shrinking space for civil society.
- Business may be a powerful ally for reform, though may currently be nervous about engaging with campaigners.

Appendix 3: Feedback

Participants were invited to give anonymous feedback at the end of the retreat. 16 forms were received. Their feedback was overwhelmingly positive, with an average assessment rating of 8.8 on a scale of 1(low) – 10 (high). Participants commented that the event was well designed & facilitated, they moved forward on common agenda(s), aired some important differences and strengthened relationships. Comments included: *"We made more progress than I had imagined would be possible beforehand"*, *"Big move forward on coordinated agenda"* & *"So so useful"*.

Participants identified areas that could be improved, including: diversity, ensuring the right people are involved in the discussions, the way the session with funders was structured and landing some difficult issues better beforehand. This last point raises the question of how this retreat fits into on-going coordination discussions in each working group, which may be useful to explore more explicitly in preparation for next year's retreat.