

Global Legal Standards

Common Principles and Standards on Propriety, Integrity and Transparency

- 1) A strong, fair and clean economy must be based on the values of propriety, integrity and transparency. These values should be promoted by public policies and be upheld by business. Effective monitoring of the implementation of these principles and standards should be undertaken on a regular basis.
- 2) Governments, companies and all business entities, irrespective of their legal form, around the world should recognise that these values are the keystone of a market economy which serves the needs and aspirations of citizens of every country and which deserves their respect and confidence.
- 3) Any “race to the bottom” in labour, social and environmental standards and regulatory arbitrage among jurisdictions should be prevented through international cooperation and convergence of domestic legal frameworks.
- 4) Tax evasion and avoidance are harmful to society as a whole and companies and all business entities, irrespective of their legal form, should fulfil their fiscal duties, including by respecting the arm’s length principle in transfer pricing practices.
- 5) Government / business interaction, including lobbying and “revolving door”, should be conducted in accordance with principles which are balanced, transparent, fair to all parties, and enforceable.
- 6) Business practices and governance of companies and all business entities, irrespective of their legal form - whether traded or non-traded, private or State-owned - should ensure accountability and fairness in the relationship between management, the board, shareholders and other stakeholders. Financial structures and instruments should not be misused in order to hide the true beneficial owner and corporate vehicles, in their various forms, should not be used for illicit activities, including money laundering, bribery, shielding assets from creditors, illicit tax practices, self-dealing and diversion of assets, market fraud and circumvention of disclosure requirements.
- 7) Disclosure of timely and accurate information regarding the activities, structure, ownership, financial situation and performance of companies should be ensured.
- 8) Pay and compensation schemes should be sustainable and consistent with companies’ and all business entities’, irrespective of their legal form, long-term goals and prudent risk-taking.
- 9) Bribery, including bribery in international business transactions, should be established as a criminal offence and effectively prosecuted and punished.

- 10) Money laundering should be criminalised and the crime of money laundering should be applied to all serious offences, with a view to including the widest range of predicate offences.
- 11) Any form of protectionism should be banned.
- 12) Bank secrecy should not constitute an obstacle to the application of the above mentioned principles , including tax compliance worldwide.

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