

Ecuador to step up global fight against tax havens following pioneering national referendum win

A national referendum on tax havens has been overwhelmingly passed in Ecuador with the support of 54% of voters, according to figures from Ecuador's national electoral authority with 93% of the vote counted.

The plebiscite, which took place on Sunday 19th February alongside the presidential and National Assembly elections, has made Ecuador the first country in the world to bar politicians and public servants from holding assets in tax havens with a popular mandate of the electorate.

The referendum is the initiative of President Rafael Correa following the Panama Papers scandal which revealed that 12 current and former heads of state and 140 public officials had assets hidden in tax havens.

It is estimated that a sum equivalent to one third of Ecuador's GDP - approximately \$2 thousand dollars for every Ecuadorian, has been siphoned out of the country to tax havens.

Ecuador has also taken a global lead in the struggle against tax havens. In January President Correa made putting an end to the practice a central part of Ecuador's agenda as the Presidency of the influential G77 + China group of developing countries within the UN. Ecuador raised the call for a UN solution at the UN General Assembly in 2016 and is working with some of the biggest global development and tax justice NGOs in the world on the issue.

Today, Ecuador's Foreign Affairs Minister Guillaume Long greeted the as the results of Ecuador's referendum saying:

"This is a huge mandate for our government's campaign to put an end to tax havens.

Here in Ecuador, we've made major strides to end tax dodging over the past 10 years - tripling tax income to boost access to healthcare and education and modernise the economy, whilst hardly increasing tax rates. But, like in many countries, every progressive tax reform we have made has come up against very powerful vested interests.

The referendum result shows that, following the Panama Papers and other tax haven scandals, people are fed up of the serious damage that tax havens cause to our economies. This "Correa Referendum" can be an example to the rest of the world that now is the time for real action to put an end to the scandal of tax havens.

But we know that tax havens are a global problem that also need a global solution. That is why we will also be stepping up our global leadership in the campaign for a new United Nations body to put an end to this shameful hidden network of tax theft.”

NOTES TO EDITORS

1. The referendum question was *“Do you agree that, for those holding a popularly elected office or for public servants, there should be a ban on holding assets or capital, of any nature, in tax havens?”*. The referendum was dubbed the *“ethical pact”* by President Rafael Correa.
2. According to Ecuador’s tax authorities the [SRI, an estimated \\$30 billion dollars](#), equivalent to a third of Ecuador’s GDP, is in overseas tax havens.
3. Ecuador became the new presidency of the G77 + China group in January pledging to make finance for development and ending tax haven a priority. The call for a UN body tax body to end tax abuses is a long standing policy position of the G77 group.
4. Last week, Ecuador held a seminar with global NGOs, experts and campaign groups on the steps towards establishing a UN global tax body to put an end to tax havens. In a declaration from civil society at the end of the event, groups from across the world welcomed Ecuador’s global leadership on the issue and committed to work with government to build new momentum towards the creation of a UN solution. The groups included major global development charities such as Oxfam, Christian Aid and Action Aid, and tax justice organisations including the Financial Transparency Coalition, Tax Justice Network, the Global Alliance for Tax Justice, LATINDADD, Tax Justice Coalition of Latin America and the Caribbean and Canadians for Tax Fairness.