



EQUAL RIGHT
ECONOMIC JUSTICE WITHOUT BORDERS

International wealth and finance taxes: What the UK can do to help make it happen

Global injustice and the redistributive potential of tax

The UK stands at the epicentre of the global finance industry, and as a nation we hold a disproportionate amount of global wealth. Meanwhile global inequalities, created by colonialism, have persisted for hundreds of years and in absolute terms they are still getting worse.¹ We need to recognise the historic and current injustices that have established the UK in its position of affluence, and begin exploring how we could return a fair share of wealth to the wider world. International taxation of wealth and financial transactions could play a vital role in achieving this.

Tax is used by all progressive countries to correct wealth imbalances within their populations. Progressive taxation scrapes wealth off the top and middle of economies and pumps it back in across the base. By applying taxes internationally, the same levelling effect could be achieved between nations as well as within them. Inequality does not stop at the border, so redistribution should not stop there either.

The UK should get international taxation on the agenda

The UK should use its international position in the finance and wealth management industry to drive progress towards global justice and much greater global equality. In particular, the UK government should initiate an international co-creation process, working with partners in the Global South and North, that aims to build a new redistributive international tax architecture.

This international architecture should be established as a complementary layer of the overall tax system (alongside national and local taxation) and should aim to harness the redistributive power of tax for global justice. This may include the raising and redistribution of taxes at the supra-national level, or redistribution of national tax revenues between countries.

¹ <https://www.wider.unu.edu/publication/global-inequality-rising-or-falling> Accessed 03/05/2023

Action points for the UK government

To support greater global equality and justice, we call on the UK government to:

1. **Act on the tax justice demands of Southern activists and governments.** Listen and respond to the tax justice demands raised by activists and governments of the Global South, and use the UK's international position to support, rather than block, these demands.
2. **Support tax cooperation at the UN.** Fully support the development of inclusive international tax cooperation and a new UN tax convention, in line with the UN General Assembly resolution tabled by the Africa Group. Transfer staff and resources away from OECD tax policy-making and towards UN tax policy-making.
3. **Support international tax transparency.** This should include automatic exchange of information, public country-by-country reporting, unitary taxation, beneficial ownership registration and a global asset register.
4. **Start the conversation about the role of tax in global justice,** in partnership with other governments and with civil society in the South and the North. Research the revenue impacts of national and international taxes and explore their impacts on global inequality.
5. **Work with other willing countries to build a redistributive international tax architecture.** Working closely with other willing countries, the UK should help to draft international agreements which would enable either the supra-national raising of tax, or international redistribution of national revenues. This is likely to involve the development of:
 - A comprehensive international financial transparency architecture.
 - An international peoples' fund, to receive, hold and invest tax revenues, and to redistribute the resulting income.
 - EITHER an international architecture for levying and collecting net wealth taxes directly from individuals, and collecting financial transactions taxes directly from global financial institutions.
 - OR a mechanism for redistributing national tax revenues (from wealth taxes, FTTs and/or other taxes) between countries
6. **Prepare to share UK wealth tax and FTT revenues internationally.** As the UK develops its own wealth and financial transactions taxes, it should ringfence some or all of the revenues for international use. The ring-fenced money could provide seed funding for an international people's fund, or could be used to increase the UK's contribution to UN programmes.

Find out more

To find out more and to get involved, contact Laura Bannister at Equal Right, info@equalright.org, or Keval Bharadia at Revolutionary Reparations, revolutionaryreparations@gmail.com.