Official speeches and statements of april 13, 2016

1 - G7 - fight against terrorism - Syria - North Korea/China - Fight against corruption and tax evasion - Interview given by M. Jean-Marc Ayrault, Minister of Foreign Affairs and International Development, to AFP

G7/TAX EVASION/ TERRORISM FINANCING

Q. - You've reached the third session of talks at the G7 foreign ministers' meeting, is that right?

THE MINISTER - Yes, exactly, and I'm finding the format is interesting because the discussions are basically quite free. We had a discussion on Ukraine, and we also had a lengthy discussion on North Korea.

We tackled essential issues like the fight against terrorism, with a comprehensive agreement to step up our efforts, and particularly the battle against terrorism financing. In that battle we mentioned the battle against grey areas, tax havens and offshore accounts. That's not the only reason why we're combating tax havens and tax avoidance. Proposals have also been made by France and Germany, particularly over the weekend. And this seems to me to be a step in the right direction. France and Germany should initiate a huge effort to strengthen the arsenal we already have.

Cooperation in the fight against terrorism clearly also requires the exchange of intelligence and information. That's already the case, but there again it's an essential factor that must be extended. And we also expressed satisfaction because, as I've mentioned several times, the European Passenger Name Record, the PNR, is going to be adopted by the European Parliament this week.

SYRIA/DAESH

On Syria, our goal is to encourage a political transition. There's no solution to the crisis without that. It means giving every opportunity to the negotiations under way in Geneva, where the moderate opposition is fully involved and is making very concrete and constructive proposals - this isn't yet true of the regime, which for the time being is totally closed to all change, and we must keep up the pressure on it. Russia is also in the front line in this regard, and we're stepping up discussions with it. John Kerry was in Moscow, so was Frank-Walter Steinmeier, and I'm going there very soon. I think everyone is contributing to this essential dialogue to get things moving. And the idea is that we are indeed adopting a transition process as quickly as possible - a transition stage which is essential, which may relate to control of the army, the intelligence services and the nature of financial institutions but which the discussions must focus on. But until now nothing has changed, and so that's our priority goal.
Obviously the other major goal is the fight against Daesh [so-called ISIL]. I'd even say all this must be tackled head-on. Things are making progress there too: Daesh is retreating in Iraq and Syria, it's true, but the battle's far from over. Some people mentioned the recapture of Palmyra. But even though that's a good thing, it mustn't mislead us either, or make us forget, in particular, that the Damascus regime abandoned Palmyra - we remember it - without a fight. So the issue of the fight against Daesh is raised in Syria, Iraq and Libya. (...)

NORTH KOREA/CHINA

On North Korea, we had a very interesting discussion which highlighted the increasing threat and risks the regime poses for the whole region and also for the world. So it's very important for everything to be done to halt that spiralling threat, and we must carry on putting pressure on the regime. We've done so by adopting new sanctions at the United Nations Security Council, transposed at European level. Europe is taking the initiative. But we must also step up efforts and consultation with the countries in the region, and of course Japan is affected and is playing a very important, positive role, as is China.

Yesterday we spoke a lot about China, which, although it's not a G7 member, was nevertheless present indirectly, as a major country, as a major partner. We also discussed the issue of the South China Sea. France's position is clear: namely, a commitment to freedom of navigation and overflight, the settlement of disputes by peaceful means and the absence of unilateral gestures aimed at altering the status quo. /

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The Libya crisis, which we haven't talked about, was also on the agenda; this, too, was a very positive moment. The Libya crisis is very important, because it involves the migration risk and the terrorism risk, and also because the country needs stability: it is worn out by divisions and violence. The arrival of Mr Sarraj's government in Tripoli is a very good thing. It sends a message of hope, it's what each of us was hoping for, all those around the table, and the announcement too that Parliament could soon hold a meeting to express its confidence in the government is also an extremely positive sign. In Tunis a conference will be taking place of donor countries, which are due to make commitments, and France will of course be represented there by its ambassador. I think we're moving in the right direction today. (...)/.
On Ukraine, we had a long, very interesting discussion earlier which allowed the two countries responsible for the Normandy format [France and Germany] to provide our partners with all the answers possible. Compliance with the Minsk agreements, all the Minsk agreements, is essential for us. And what's currently happening is a step in the right direction, because it would appear that following the resignation of the Ukrainian Prime Minister, a new government will be appointed in Kiev, and we're hoping for the confidence of the Parliament, because the fact is that everything is currently at an impasse.

Sticking points must be noted in two areas: the sticking points in the Donbass, with repeated ceasefire violations and even an increase in the number of hostile demonstrations; I think we have to be aware of the risks. At the same time, in Kiev reforms are at a standstill – in particular what we've been asking for: the adoption of a special status for the Donbass and the adoption of electoral reform and an election procedure.

For the moment, things are somewhat at a standstill, even though we're aware of a bill, a draft bill on electoral reform. It's vital that things materialize extremely quickly. And we talked, quite obviously, about the question of European sanctions vis-à-vis Russia. This must be tackled essentially in the framework of progress on the Minsk agreements which I've just mentioned, and for the time being there's no reason to say that the sanctions must be lifted if nothing is changing. (...)./

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Finally, in a few moments we're going to the Hiroshima memorial. It's a strong, moving and symbolic moment. We discussed the challenge of nuclear disarmament and non-proliferation. It's clearly a subject that takes on wider significance here in Hiroshima. But it provided me with an opportunity to recall that France is a country that shoulders its responsibilities, and I mentioned two cases in particular: the ratification by all countries of the [Comprehensive] Nuclear-Test-Ban Treaty - France has signed it, but that was 20 years ago, and it's time for it to come into force - and we're also calling for negotiations to begin for a new treaty moving towards a reduction in nuclear weapons, in relation to stopping the production of fissile material. (...) Let me remind you that since the Cold War, France, a nuclear power, has decided unilaterally not to abandon its nuclear arsenal but to limit its size. We've given concrete signs of the direction it seems to us necessary to take at global level. (...) ./.

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5 - Fight against corruption and tax evasion - Panama Papers - Communiqué issued by the Ministry of Finance and Public Accounts

Given the Panama Papers revelations, France reiterates its commitment to spearheading the battle against all forms of evasion, avoidance and aggressive tax optimization. It has been taking this action resolutely since 2012 at national level and in every European and international forum. In this context, Michel Sapin, Minister of Finance and Public Accounts, recalls the proposals which France has drawn up and will promote at the spring meetings in Washington this week (G20 and IMF).

1) France will ask Panama, which it has just included on the list of non-cooperative states and territories, to provide it with full financial information relating to French taxpayers linked to Panama. To this end, it will request a renegotiation of its tax agreement with Panama.

2) In addition to the 96 countries already committed, France calls on all countries to subscribe to the agreement signed in Berlin in October 2014 for the Automatic Exchange of Information between tax authorities, due to come into force in 2018 at the latest.

3) France would like an agreement at G20 level on the creation of a blacklist enabling fiscally non-cooperative jurisdictions to be identified on the basis of assessments by the Global Forum on Transparency and Exchange of Information [for Tax Purposes] and counter-measures coordinated between the various states to be applied to them.

4) The European Union must adopt a driving role in the implementation of such a mechanism, by means of a directive providing for a set of common deterrent measures against states and territories identified as non-cooperative at international level - measures whose implementation would be compulsory in the 28 member states.

5) At European level, France is calling for a strengthening of cooperation between supervisory authorities in the financial sector on the fight against money laundering and terrorism financing, to ensure full access to information, for example access by the supervisor of a banking group's parent company to data from a subsidiary or branch established in another EU country.

6) France would like all countries to create uniform registers of real beneficiaries, including legal persons or entities of all kinds (stock companies, trusts, foundations etc.).

7) France calls on the OECD to work with the FATF [Financial Action Task Force] to create a benchmark for automatic information exchange on the identity of those beneficiaries.
8) France will publicize its register of the real beneficiaries of trusts and is in favour of all countries doing the same.

9) France calls on the OECD and the FATF to ensure that all intermediaries in international financial arrangements are under a practical obligation to be vigilant on tax and money laundering.

10) France would like the European Union to look at the possibility of increasing the effectiveness of sanctions against intermediaries who promote and encourage tax avoidance.

11) Moreover, France confirms its wish for all G20 and OECD states to consistently implement the 15 BEPS Actions covering the whole of international taxation.

12) France would also like to ensure the global implementation of the automatic exchange of country-by-country reports (CBCR) so that all states can have an overall view of the multinationals on their territory, their constituent entities, their locations, the nature and scope of their activities and their tax burden for accounting periods beginning in 2016.

13) Finally, France supports the establishment at European level of an obligation for big companies to make public their activities and taxes on a country-by-country basis, the so-called «public CBCR». The European Commission is due to make a proposal along these lines tomorrow. /.

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6 - Fight against corruption and tax evasion - Panama Papers - Communiqué issued by the Ministry of Finance and Public Accounts

By an order signed today, Friday 8 April 2016, Michel Sapin, Minister of Finance and Public Accounts, and Christian Eckert, Minister of State for the Budget, added Panama to the 2016 list of non-cooperative states and territories, after seeking the opinion of Jean-Marc Ayrault, Minister of Foreign Affairs and International Development.

This text aims to guarantee that our partners actually apply the tax cooperation commitments made to France, with due regard for international principles. When the list was last updated, on 21 December 2015, it was announced that particular attention would be given to Panama's actual cooperation. Since then, despite repeated exchanges between the Finance Ministry's departments and the Panamanian authorities which Michel Sapin highlighted in mid-February during a meeting with his counterpart, Panama is still not passing on to France the information necessary for the implementation of its legislation, in particular the identity of the real beneficiaries and the [economic] substance (profit and loss accounts, staff) of companies registered in Panama. Prohibitive tax measures linked to inclusion on the list will come into force as of 1 January 2017.

As the President announced in a meeting today with the Panamanian President, it is now incumbent upon Panama to embark on actual cooperation with the French authorities, according to the standards set by the OECD. In addition, the President asked Panama to confirm that it will move to the Automatic Exchange of Financial Information on 1 January 2018, in accordance with the terms stipulated by the OECD.

At the Panamanian authorities' request, Michel Sapin will have a meeting in Paris shortly with his Panamanian counterpart to take stock of all the ongoing requests and ask for full transparency on the situation of all those French nationals implicated in financial relations with Panama.

At the Franco-German Council of Ministers on 7 April 2016, France and Germany reiterated their commitment to spearheading the battle against all forms of evasion, avoidance and aggressive tax optimization. France and Germany called on the international community to work on effective counter-measures to force those jurisdictions which do not play by the collective rules to adopt the common rules. A European list of non-cooperative jurisdictions and territories would be a first step in that direction. A meeting of high-level OECD experts will be held next week, with a view to coordinated action by tax administrations following the information revealed in the international press./.

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