Rt Hon. Ed Miliband MP
Secretary of State for Foreign, Commonwealth and Development Affairs

Foreign, Commonwealth & Development Office
King Charles Street
London
SW1A 2AH

Rt Hon. John Healey MP
Chancellor of the Exchequer

HM Treasury
1 Horse Guards Road
London
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19 October 2026

Dear Secretary of State, Dear Chancellor,

We write to you on behalf of the African Parliamentary Network on Illicit Financial Flows and Taxation (APNIFFT), a network of 4,875 former and current Parliamentarians across 42 member states.

We strongly welcome the UK's leadership hosting an international Summit on illicit finance. The postponement of the Summit from this December to next year offers critical time to strengthen the focus and outcomes of the Summit, as well as ensure meaningful engagement from African countries.

Illicit Financial Flows (IFFs) harm communities and economies across the world, erode our democracies and fuel international crime and conflict, and, particularly in low- and middle-income countries.

IFFs are depriving the African continent of an estimated 88.6 billion USD every single year. While higher-income countries lose taxes equivalent to around 7% of their public health budget; for lower-income countries that loss is five times bigger, at around 36%. In the wake of global cuts to Overseas Development Aid in 2025, our nations stand to lose even more vital revenue.

While lower-income countries are hit harder by illicit financial flows, the global financial and tax rules that enable the flow of dirty money have largely been set by high-income countries. Tax abuse is able to continue at scale due to the professional enablers of IFFs - principally lawyers, accountants and bankers - who exploit the myriad of loopholes in the UK's tax system, offshore accounting and secrecy measures, aided by under-resourced enforcement.

To achieve the goals of this Summit, and international tax cooperation more broadly, it is vital that the definition of IFFs is expanded beyond illegal activities to include tax abuse in all its forms. This

categorisation has been officially acknowledged by the UN, and statistical measurements of tax-related IFFs are currently ongoing.

What is clear is that tax or commercially related IFFs and criminally related IFFs are not mutually exclusive. For instance, the extractive sector is one of the most vulnerable sectors to IFFs, amounting to at least 40 billion USD a year. The extractive sector is plagued with corruption, trade mispricing (which often involves some form of tax evasion), illegal exploitation of resources, significant transfer mispricing (not just of commodities but also through debt financing), among others. Addressing illicit financial flows is therefore incomplete if the tax- and trade-related elements are not considered in conjunction with the criminal elements. This would better capture the full scope of financial pressures and corrupt actors undermining Africa's economic stability and resilience.

Vast amounts of money laundered globally go through the City of London and UK's Overseas Territories (OTs) and Crown Dependencies (CDs). A recent study by the Finance Innovation Lab indicated that **£325 billion of illicit finance flows through the UK,** closer to £800 billion when you include the UK's Overseas Territories and Crown Dependencies. A previous government minister suggested this could be as high as 40% of the global total of IFFs. Clearly, the impact is felt beyond the UK's borders as it facilitates money being illicitly taken from Africa and Africans. Further, countries are losing $492 billion in tax revenue a year to multinational corporations and wealthy individuals using tax havens to underpay taxes. The UK and its OTs and CDs are responsible for over 26% of all countries' tax losses, costing countries US$129 billion a year.

The UK Government has taken some important steps to address UK-enabled tax abuse by working with the OTs towards introducing registers of beneficial ownership. We commend the introduction of fully public registers in Montserrat, Gibraltar and St Helena - but more progress is needed. Only fully public registers can provide the level of transparency needed to properly tackle international tax abuse and deliver a fair global tax system that benefits communities and economies worldwide.

Therefore, we are disappointed that progress on this front has stalled. Successive deadlines have been missed over the past few years and five OTs have changed plans to introduce 'legitimate access registers' in place of fully transparent registers. Legitimate access registers are incredibly restrictive, out of step with shared values of transparency and cooperation, and designed to be virtually unworkable for journalists and civil society organisations investigating financial abuse. These registers will allow tax abuse and money laundering that fuels conflict and corruption to continue at scale.

We strongly encourage the upcoming Summit to shine a light on the importance of delivering public registers in promoting transparency and tackling illicit finance, and urge the UK Government to continue to follow through with renewed effort on its commitment to ensuring that fully accessible public registers become the global norm.

In much the same way, we believe public country-by-country reporting (PCbCR) is crucial to address the harmful tax practices of multinational corporations (MNCs), such as profit-shifting. PCbCR would capture disaggregated data on the economic activities, the taxes paid, the

employees and assets of these MNCs in each jurisdiction, particularly developing countries, which is necessary to address tax-related IFFs in Africa.

In addition, we hope the Summit is used to demonstrate a serious commitment to asset recovery, which lies at the heart of any credible response to illicit financial flows. Asset recovery is critical for African nations to reclaim billions in stolen funds, essential for financing sustainable development, strengthening healthcare and education, and tackling poverty. In turn, it would build economic resilience, restore trust in public institutions and deter future economic crimes.

The Summit is the beginning of multiple years of UK leadership on these issues - as indicated by pillar 3 on 'Global Resilience' in the UK's recent anti-corruption strategy. To succeed in the face of such pressing global crises, it cannot be simply a discussion platform - it must shape and be shaped by a long-term strategy and lead to concrete outcomes.

To this end, we hope the UK uses the Summit to propose multi-year initiatives that countries can sign on to, focusing on collective action, not just sharing best practices. Further, we hope the UK will use learnings from the Summit to shape its plans and priorities for taking up presidency on the FATF in 2026 and G20 in 2027, which should include beneficial ownership transparency, tax abuse, resource smuggling, fraud, property and asset recovery.

It is only through genuine global cooperation that we can meaningfully advance the fight against corruption and dirty money. We sincerely hope African countries and others disproportionately impacted by the harms of illicit finance are meaningfully represented at the Summit and given the opportunity to shape its focus and outcomes. This representation must extend beyond governments and include parliamentarians, civil society, investigative journalists, private sector actors and communities directly harmed by IFFs.

With the summit postponed to 2027, it is critical that key Government departments (FCDO and HMT) use the coming months to engage both publicly and privately to deliver a stronger, more inclusive, visible, and impactful Summit. Without meaningful engagement and decisive actions, it risks becoming simply a tokenistic gesture.

We look forward to working constructively with the UK Government and Governments around the world at the upcoming Summit and beyond - to tackle the issue of illicit finance and secure safety, resilience and prosperity for economies and communities worldwide.

Yours sincerely,

Hon. Jean Galvanis Mgassiyombo
Chairperson

Hon. Lerato Ngobeni
Vice Chairperson

African Parliamentary Network on Illicit Financial Flows and Taxation (APNIFFT)