



## **Business at OECD Media Release**

### ***B20 and Business at OECD launch “GVC Passport” concept on Financial Compliance to Reinvigorate Firms’ Growth Post-COVID-19***

**Riyadh, Saudi Arabia, Paris, France, 2<sup>nd</sup> September, 2020** – The Business 20 (B20), the official voice of the global business community across G20 members, and *Business at OECD* today launched a joint conceptual policy proposal that focuses on reducing barriers that firms encounter in their quest to participate in Global Value Chains (GVCs), as cross-border fragmentation and friction continue to impede the free flow of people, capital, goods and services.

The COVID-19 pandemic has highlighted the world’s dependence on GVCs. The policy paper titled “[GVC Passport on financial compliance, a pragmatic concept to strengthen inclusive and sustainable growth](#)” calls on G20 nations to work towards a system envisioning a significant reduction in bureaucracy, while increasing transparency and traceability, as well as facilitate firms’ access to wider markets.

The “GVC Passport” concept would allow firms incorporated in one participating country as a business entity to operate legitimately in other participating countries. It would provide an authenticated, authoritative, verifiable financial fingerprint of a given entity, enabling it to operate within GVCs without the need to reproduce the same documentation on multiple occasions.

Commenting on the announcement, **Yousef Al-Benyan, Chair of B20**, said, “The vision outlined in this paper is aimed at all firms, but particularly benefits small and mid-size enterprises (SMEs) who face a proportionately higher cumulative regulatory and administrative burden relative to their resources. SMEs represent 90 percent of businesses and 50 percent of employment worldwide, and therefore hugely impacted by the events of the past nine months. Adoption of this policy initiative will help SMEs in the recovery phase by reducing operational costs and we are therefore recommending that the G20 supports it.”

The “GVC Passport” concept is envisioned to use technologies such as blockchain and artificial intelligence to offer firms the ability to operate seamlessly across borders. By doing so, it has the potential to remove geographic barriers and reduce red tape, bringing their work and the value they bring to their communities into the 21<sup>st</sup> century.

**Gianluca Riccio**, Vice Chair of *Business at OECD* Finance Committee, said, “The GVC passport on Financial Compliance is a concept with the potential to benefit the entire global business community by increasing access to service and goods, improving transparency, reducing tax evasion, expanding data gathering and enabling faster adoption of digital tools and technology.”



The launch of the GVC Passport concept on Financial Compliance took place during a joint event between the B20, Business at OECD and the OECD, where business leaders, policymakers and subject matter experts offered their reflections and recommendations on sustainable and inclusive business practices for a successful recovery from the COVID-19 economic crisis.

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**About Business at OECD**

*Established in 1962, Business at OECD (BIAC) stands for policies that enable businesses of all sizes to contribute to growth, economic development, and societal prosperity. Through Business at OECD, national businesses and employers' federations representing over 7 million companies provide and receive expertise via our participation with the OECD and governments promoting competitive economies and better business.*

**About B20**

*The Business Twenty (B20) is the official G20 dialogue with the business community. As the voice of the private sector to the G20, it represents the global business community across all G20 members and all economic sectors.*

*The B20 supports the G20 through specific policy recommendations, the consolidated representation of business interests and economic expertise. It also fosters dialogue between the public and private sector.*