Transparency International EU

The global coalition against corruption

EU breakthrough in the fight against money laundering

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Today, the EU has agreed to new anti-money laundering rules which will increase transparency around the ultimate owners of companies according to Transparency International EU. The long-awaited new rules are a breakthrough and a step closer to making anonymous shell companies a thing of the past, said the anti-corruption group.

The revisions to the EU Anti-Money Laundering Directive, which were proposed following the Panama Papers revelations last year, will allow the public to see who ultimately owns or controls shell companies and other opaque structures. However, several loopholes remain, such as the lack of public access to information on the beneficiaries of trusts and similar arrangements. These loopholes should be addressed as EU Member States start to implement these revisions.

"*This is a big breakthrough and confirms that full transparency of corporate ownership is now the global standard against which other countries will be judged* said Laure Brillaud, Anti-Money Laundering Policy Officer at Transparency International EU. "*The EU deserves credit for taking this bold leap to end the secrecy that facilitates corruption, tax evasion and other crimes*" continued Brillaud.

Evidence from the World Bank suggests that 70% of large-scale corruption cases involve anonymous companies and trusts. Recent scandals, spearheaded by the Panama Papers, have shown how such opacity makes the current financial system vulnerable to systematic wrongdoing. Public access to the new European registers will facilitate the prevention and detection of money laundering by enabling closer public scrutiny and acting as a deterrent to abuse. It will also ensure quick and guaranteed access to the data by foreign competent authorities during cross-border investigations.

"Today a big battle was won in the struggle against money laundering, but it's not over yet, EU governments and the G20 need to put pressure on all offshore jurisdictions to adhere to this new global standard," concluded Brillaud.

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