

Transparency International EU

The global coalition against corruption

EU Court of Justice delivers blow to beneficial ownership transparency

Lucinda Pearson · Tuesday, November 22nd, 2022

The fight against cross-border corruption set back by years

In a decision published today, the Court of Justice of the European Union (CJEU) invalidates a provision of the 5th EU Anti-Money Laundering Directive that guaranteed public access to information on companies' real owners. The case was sent to the CJEU from a Luxembourg court after challenges to the Luxembourg Business Registers, which disputed the compatibility of this provision with the right to privacy.

Maíra Martini, corrupt money flows expert at Transparency International, said:

“Access to beneficial ownership data is vital to identifying – and stopping – corruption and dirty money. The more people who are able to access such information, the more opportunity to connect the dots. We have seen time and time again, from the Czech Republic and Denmark to Turkmenistan, how public access to registers helps uncover shady dealings. At a time when the need to track down dirty money is so plainly apparent, the court's decision takes us back years.”

Recognising that public scrutiny serves as a powerful deterrent to financial crime, the 5th EU Anti-Money Laundering Directive of 2018 required countries to open up their beneficial ownership registers to all members of the public. This provision made the EU anti-money laundering legislation the most progressive at the time, but the CJEU has now erased such progress.

However, not all appears lost. The court did recognise that civil society and the media have a legitimate interest in accessing such information, given their role in the fight against money laundering.

Roland Papp, senior policy officer of Transparency International EU said:

“Today the European Court of Justice recognised that press and civil society organisations are instrumental in preventing and combatting money laundering and therefore have a legitimate interest in accessing information on beneficial owners. It's now time for the European Parliament and Council to codify this by guaranteeing access in the current 6th EU Anti-Money Laundering Directive. But that's not enough; the new directive should also include precise provisions that reconcile public access with privacy and security concerns.”

Notes to editors

Currently, the CJEU decision is pending for a third, similar case on which Transparency International submitted an [informal amicus briefing](#).

Previously, Transparency International also [documented multiple examples](#) showing how civil society and media use of beneficial ownership data helped uncover corruption and wrongdoing, and even safeguarded EU funds – as in the case of former Czech Prime Minister Andrej Babiš.

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