

Transparency International EU

The global coalition against corruption

Former EU Commissioner's link to Bahamas Leaks shows need to end secret companies

Alex Johnson · Wednesday, September 21st, 2016

Today's leak by the International Consortium of Investigative Journalists (ICIJ) of the directors of companies registered in the Bahamas, including that of former EU Commissioner Neelie Kroes, shows the need to end secret companies and for greater transparency of corporate ownership, according to Transparency International EU.

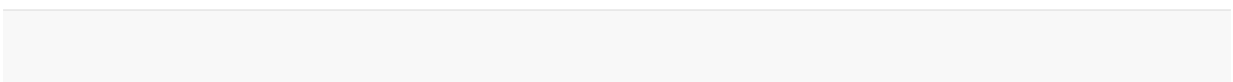
Secret companies incorporated in jurisdictions such as the Bahamas, can help mask corruption, tax evasion and conflicts of interest. Transparency International are calling on countries worldwide to publish the details of who owns and controls companies established in their jurisdictions.

The leak by the ICIJ lists several high-profile politicians, including former European Commissioner Neelie Kroes. According to the leak, Kroes was the director of a company that was established in 2000 in the Bahamas to be the vehicle for a proposed deal to acquire some of energy company Enron's assets. This directorship was not declared in the register of interests she completed when joining the European Commission in 2004. This is a breach of the Commission's rules that require Commissioners to declare all professional activities in the ten year period before becoming a Commissioner.

"Kroes's links to the proposed Enron deal would have remained secret were it not for a leak. That is why it is crucial to have public databases of company ownership, which civil society, journalists, and indeed the Commission itself, can use to check for potential conflicts of interest," said Carl Dolan, Director of Transparency International EU. *"We need genuine transparency around who owns what, otherwise we will have to rely on the fallible memories and record-keeping of politicians"*, said Dolan.

The EU must seize the opportunity of the revision of the fourth anti-money laundering directive to roll-out public registers of beneficial ownership in EU Member States. The EU should work with partners already committed to transparency to bring about a global standard on beneficial ownership information, according to Transparency International EU.

"We need transparency rather than relying on this drip feed of leaks from secret corporate archives," concluded Dolan.



This entry was posted on Wednesday, September 21st, 2016 at 1:07 pm