

Transparency International EU

The global coalition against corruption

Panama Papers reveal need for EU action on secrecy jurisdictions

Admin · Monday, April 4th, 2016

The Panama Papers, a global investigation into the use of anonymous companies in secrecy jurisdictions, has shown how a network of lawyers, bankers and other facilitators around the world help the corrupt to hide illicit wealth. The leaks show the urgent need to open up corporate ownership to the public, in line with recent EU legislation, according to Transparency International EU.

Transparency International EU is calling for public registers of all companies' beneficial owners to make it harder for the corrupt to hide stolen assets in secret companies and trusts.

“The Panama Papers leak reveals how the international finance system is used to allow the rich, powerful and corrupt to launder and hide stolen assets. Nothing short of public transparency about corporate ownership can stop the rot,” said Carl Dolan, Director of Transparency International EU. *“There is a narrow window in the next six months for the EU to lead the way. It can then use its authority and experience to keep pressure on secrecy jurisdictions around the world to open up,”* said Dolan.

The EU made a breakthrough in 2015 with reforms to the [EU Anti-Money Laundering Directive](#) that requires member states to collect information on the ultimate beneficial owners of companies, trusts and other corporate vehicles. The legislation allows member states to make this information available to the public, however it is not a mandatory requirement. So far only the UK and the Netherlands have committed to this.

All EU member states should seize this opportunity to reassure the public about abuses of the system and legislate for public access to information on corporate ownership. *“Journalists, civil society and citizens should not have to rely on leaks to be able to scrutinise this kind of information,”* said Dolan.

The EU should amend public procurement legislation to require any company bidding for a public contract or purchasing and selling property to disclose its beneficial ownership information, according to Transparency International EU.

The EU must step up efforts to put pressure on third countries to reveal beneficial ownership information. The EU should seek commitments by the G20 for public registers of beneficial ownership to be the global standard and to create a global register. It should make corporate

ownership transparency and anti-money laundering reforms a priority when negotiating trade deals and other agreements with countries outside the EU, according to the group.

TRANSPARENCY INTERNATIONAL EU OFFICE

For further information please contact:

CARL DOLAN

Director

+32 (0)2 893 24 55

cdolan@transparency.org

ALEX JOHNSON

Communications Officer

+32 (0)2 893 24 66

ajohnson@transparency.org

This entry was posted on Monday, April 4th, 2016 at 12:53 pm