



Financial Action Task Force

President's Summary of Outcomes from the Experts' Meeting on Corruption

18 October 2014

The Financial Action Task Force (FATF) and the G20 Anti-Corruption Working Group (ACWG) held a joint Experts' Meeting on Corruption on Saturday, 18 October 2014. In this meeting, 163 delegates from 28 jurisdictions and 19 organisations participated¹. This is the fourth time that the FATF and G20 ACWG have held such an event, which brings together anti-money laundering/counter-terrorist financing (AML/CFT) experts and anti-corruption experts to discuss issues of common interest.

The meeting was chaired by the FATF President, Mr. Roger Wilkins AO (Australia), at the OECD headquarters in Paris. The G20 ACWG Co-Chairs – Mr. Stefano Mogini (Italy) and Mr. Kieran Butler (Australia) (acting Co-Chair) – participated and reiterated the G20 support for FATF work to enhance transparency and combat corruption, and encouraged continued engagement on these issues.

The key objectives for this meeting were:

- to discuss the FATF's draft *Guidance on Transparency and Beneficial Ownership*, and incorporate feedback from anti-corruption experts to enhance the paper, and
- to build on the previous discussions between the FATF and the G20 on anti-corruption issues, with a particular focus on measures to combat the misuse of corporate vehicles.

PREVENTING THE MISUSE OF CORPORATE VEHICLES

Corporate vehicles, such as companies and trusts, play an integral role in the global economy. However, under certain conditions, they have been misused for criminal purposes including money laundering and corruption. Taking action to prevent the misuse of corporate vehicles is essential to ensure the integrity of the international financial system, and support economic growth and development.

The FATF has set international standards² which require countries to implement measures to ensure that accurate information on the beneficial ownership of legal persons and legal arrangements is available to competent authorities in a timely fashion. The FATF's draft *Guidance on Transparency and Beneficial Ownership* received strong support from the meeting participants, and will assist jurisdictions with their implementation of the FATF standards in this area.

¹ See Annex 1 for the list of jurisdictions and organisations represented.

² The FATF 40 Recommendations

The G20 ACWG has agreed High Level Principles on Beneficial Ownership Transparency³ which are focused on ensuring that G20 members know who own and control legal persons and arrangements operating in their countries, and readily exchange this information with other countries. This will help prevent the misuse of legal persons and arrangements to facilitate corruption, money laundering and tax evasion.

The OECD updated the group on the role of beneficial ownership and transparency in the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, and in relation to the Standard for Automatic Exchange of Financial Account Information in Tax Matters.

Participants also heard updates on the actions that jurisdictions are taking to implement measures. This was an important opportunity to learn from, and build on, the experience of others. Participants had a lively discussion on practical ways in which measures can be strengthened to improve the collection of and access to beneficial ownership information. While the measures that jurisdictions implement may vary according to their circumstances and context, the fundamental purpose to ensure the availability of accurate beneficial ownership information remains the same.

Given the increasingly connected international financial system, a global effort is needed to ensure that the lack of transparency on the beneficial ownership of corporate vehicles is not an obstacle in the investigation of money laundering, corruption and tax evasion. Actions taken by jurisdictions should include a focus on efforts to facilitate international cooperation.

Implementation of measures to ensure the availability of beneficial ownership information is challenging. Participants highlighted the benefit in applying a risk-based approach to ensure that measures are targeted at those assess which present the higher risks. Jurisdictions should assess and understand the risks associated with the corporate vehicles in their jurisdiction and implement measures based on the identified risks.

Participants also recognised the need for engagement at the national level between AML/CFT and AC experts, and tax administrations. Such collaboration is necessary to avoid regulatory arbitrage and to ensure that transparency measures support the common goals where appropriate of AML/CFT and anti-corruption, as well as taxation purposes.

CONCLUSION

The participants committed to pursuing their continued cooperation and sharing of experiences between AML/CFT and anti-corruption experts to strengthen the fight against corruption. Transparency and beneficial ownership will remain as priority issues on the agenda of the FATF and the G20.

³ The Principles will now be considered by Sherpas and Finance Deputies before being put to Finance Ministers and then Leaders for possible endorsement.

ANNEX 1

List of jurisdictions represented:	List of international bodies represented:
Argentina	Financial Action Task Force (FATF)
Australia	G20 Anti-Corruption Working Group
Belgium	Asia Pacific Group on Money Laundering (APG)
Brazil	Asian Development Bank (ADB)
Canada	Caribbean Financial Action Task Force (CFATF)
China	Council of Europe Group of States Against Corruption (GRECO)
France	Egmont Group
Germany	Eurasian Group (EAG)
Ghana	European Commission
Hong Kong, China	Financial Action Task Force of South America (GAFISUD)
Indonesia	Gulf Cooperation Council (GCC)
Italy	International Monetary Fund (IMF)
Japan	Middle East & North Africa Financial Action Task Force (MENAFATF)
Korea	MONEYVAL
Luxembourg	Organisation for Economic Co-operation and Development (OECD)
Mexico	Organisation for Security and Cooperation in Europe (OSCE)
Netherlands	Task Force on Money Laundering in Central Africa (GABAC)
New Zealand	United Nations Office on Drugs and Crime (UNODC)
Portugal	World Bank
Russian Federation	
Saudi Arabia	
Singapore	
South Africa	
Spain	
Switzerland	
Turkey	
United Kingdom	
United States	