

**Statement by Gillian Dell, Transparency International  
UNCAC Implementation Review Group Briefing for NGOs  
Vienna, Austria, 23 June 2016**

Chair, distinguished delegates:  
Good morning.

I would like to thank the UNCAC Implementation Review Group for the opportunity to speak to you today. Thanks also to UNODC for its informative presentation this morning and for facilitating the meeting today.

My name is Gillian Dell and I am speaking on behalf of Transparency International, the global civil society organisation dedicated to the fight against corruption.

The existence and consequences of corruption have been apparent for decades and from the 1990s onwards led to a wave of anti-corruption initiatives , including adoption of the UN Convention against Corruption. But it is often not until a scandal hits the front pages that *corruption*, prevalent and pernicious, gets the attention and outrage it deserves.

The Panama Papers represents such a scandal, with its global storm of revelations detailing the intricate forms of secrecy and collusion that facilitate money-laundering and corruption on a global scale. There is an opportunity here to harness the tide of indignation that has followed to catalyse concrete anti-corruption action. When the dust finally settles and the revelations of the Panama Papers are “old news,” it is essential that we have in place robust and sustainable measures to combat the forms of corruption and complicity that we knew existed and that the leaked papers exposed.

A further recent impetus for global anti-corruption efforts comes from the [London Anti-Corruption Summit](#) held in

May 2016 which led to commitments by 40 world-leaders and high-level country representatives. Transparency International welcomes these commitments and calls for their implementation without delay.<sup>1</sup>

With these recent developments in mind, Transparency International has a number of recommendations for the 7<sup>th</sup> Session of the UNCAC Implementation Review Group.

In the next five years, the Review Mechanism's focus on Chapter II on prevention and Chapter V on asset recovery provides the opportunity for States Parties to make considerable progress on efforts to prevent *money laundering*.

It is shocking that it is still possible for the corrupt to obscure their identities with secret companies, when the problem has been known for so long—you can find 1970's literature that discusses the problem of shell companies--and the solution is at hand in the form of creation of a functioning public register of beneficial company ownership. It is encouraging that ahead of and during the London Summit a large number of countries agreed to develop such registers or are considering doing so. However, these must be sufficiently resourced and adequately empowered.<sup>2</sup>

Tackling money laundering also means addressing the role of those who *facilitate or enable* it – including entities in the financial sector, and other professionals such as lawyers, accountants, real estate agents, company service providers and purveyors of luxury goods. They should be held to due diligence requirements and robust sanctions should be imposed on professionals found to be implicated in or turning a blind eye to wrongdoing. More effective oversight is needed.

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<sup>1</sup> See: [www.transparency.org/news/pressrelease/transparency\\_international\\_welcomes\\_anti\\_corruption\\_summit\\_pledges\\_and\\_call](http://www.transparency.org/news/pressrelease/transparency_international_welcomes_anti_corruption_summit_pledges_and_call).

<sup>2</sup> See: [www.transparency.org/news/feature/anti\\_corruption\\_summit\\_now\\_the\\_hard\\_work\\_begins](http://www.transparency.org/news/feature/anti_corruption_summit_now_the_hard_work_begins).

Governments should also use their leverage as the allocators of lucrative government contracts to encourage company transparency. All companies bidding for public contracts should have to disclose on whose behalf they are operating and who is ultimately in control of the company.

Another focus for the IRG should be to enhance efforts against *grand corruption*. When high-level officials are involved in large-scale bribery or the embezzlement of state assets, the effect is widespread harm to both individuals and society. Grand corruption poses a major obstacle to the achievement of sustainable development goals.

We need new and strengthened responses to effectively address the impunity enjoyed by so many involved in grand corruption. Immunities are a considerable challenge, and when abused can lead to the corrupt openly escaping justice. Furthermore, the lack of scrutiny and weak disclosure requirements for some kinds of immigration visa, such as golden visas or significant investor programmes, means that the corrupt are able to flee prosecution and launder the proceeds of corruption. These escape routes should be closed.

Practical steps to counter grand corruption should include improving the weak enforcement against foreign bribery in many countries and criminalising passive bribery by foreign public officials. They should also include legislating for universal or extended extraterritorial jurisdiction, so that if enforcement is not possible in the home country, other countries can assume responsibility for prosecutions. Further, non-state actors should have the right to initiate criminal proceedings against those responsible for grand corruption.

Finally, a word on the subject of transparency and civil society participation. The second cycle of UNCAC reviews will assess country implementation of UNCAC Article 13.

That article recognises that civil society has a fundamental role to play in providing expertise and experience to anti-corruption initiatives. Yet in too many countries anti-corruption experts and activists are under threat and cannot carry out their essential role. This is a matter of great concern both in terms of human rights as well as how it undermines national and global anti-corruption efforts. There must a means for this be reported on, discussed and considered within the UNCAC Review Mechanism.

We urge all States Parties to safeguard environments in which civil society can flourish and to consult and engage with civil society across all areas of corruption policy development, implementation and monitoring.

With regard to the UNCAC peer review process, we call on States Parties to actively engage with civil society in the review process and national implementation. This engagement should be reflected in the upcoming country reports in the second cycle of reviews.

In particular, Transparency International urges all States Parties to sign the UNCAC Coalition's [UNCAC Review Transparency Pledge](#). Seventeen countries have already done so and demonstrated their commitment to its six principles on transparency and public consultation in the fight against corruption.

*Together*, we can seize the opportunity presented by the Panama Papers to keep the world's focus on corruption and build more effective counter-measures to the menace of corruption.

Thank you.