UNDER THE SHELL:
ENDING MONEY LAUNDERING IN EUROPE

VIENNA, 22 JUNE 2017
One year ago...

- **PANAMA PAPERS**: 214,000 offshore companies and trusts / 200 countries and territories / 12 current and former world leaders / 140 politicians and public officials

One year later

- **THE RUSSIAN LAUNDROMAT**: $20.8 billion from 19 Russian banks to 5,140 companies with accounts in 732 banks in 96 countries
EBOT PROJECT
ASSESSING BENEFICIAL OWNERSHIP TRANSPARENCY

- Legislation (current & future)
- Enforcement
- High-risk sectors
LEGISLATIVE GAPS

- A flawed legal definition of beneficial owner
- Limited access to beneficial ownership data
- Insufficient regulation of high-risk instruments like nominees and bearer shares
ENFORCEMENT GAPS

• Inadequate management of ML risks
• Low level or quality of SARS
• Ineffective control mechanisms and sanctions
• Weak oversight of self-regulated professions
• Lack of public statistics on AML
High-risk sectors

- Real estate sector / golden visas
- Luxury goods
- Trust and corporate service providers
- Bitcoins
KEY RECOMMENDATIONS: CLOSE LEGISLATIVE GAPS

• Central beneficial ownership registers:
  - Scope extended to all companies and trusts operating within the territory
  - Public & free access in open data format
  - Robust data verification and sanction mechanisms
• Comprehensive and robust legal definition of beneficial owner
• Use of high-risk instruments such as nominees prohibited or more strongly regulated
KEY RECOMMENDATIONS: CLOSE ENFORCEMENT GAPS

- Improve suspicious activity reporting
- Ensure proportionate and effectively enforced controls and sanctions
- Strengthen oversight of self-regulated sectors
- Publish harmonised and comprehensive AML statistics
KEY RECOMMENDATIONS: INTERNATIONAL REVIEW PROCESSES

• UNCAC: more transparent and inclusive review process
• UNCAC & FATF: greater coordination in review processes
THANK YOU FOR YOUR TIME!

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