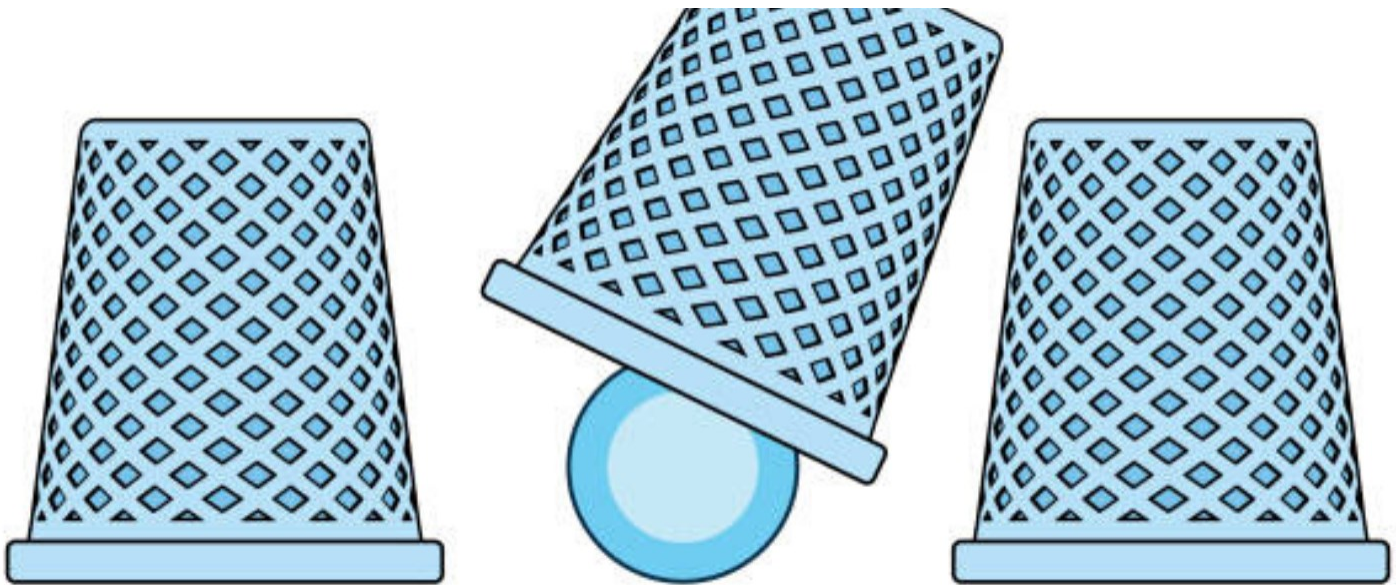


# THE OBSERVER

NEWS AND VIEWS FROM ORGANISATIONS IN THE CIVIL SOCIETY COALITION OBSERVING THE UNCAC COSP8



## STOP THE SHELL GAME

*By Thom Townsend, Open Ownership and José Marin, Transparency International*

If we are to stop corruption, everyone must know who they are doing business with. Currently, a complex and poorly regulated system exists in many countries which allows anonymity in the creation and administration of companies. There are too many loopholes in the current beneficial ownership regime in many jurisdictions, including too little public access, poorly verified data and no agreed standard mandating central registers. Beneficial ownership information is critical to ending the shadow economy, ending tax avoidance, tackling money laundering and fighting against organised crime.

One way to address this is to create a global register of who are the owners of and who benefits from companies. This registry should include unique identifiers for each company, its formation information and data about who runs it and owns it. This would support the awarding of clean public contracts and would help investigations

tracking illegally obtained assets, money laundering and illicit financial flows.

Transparency in who owns companies is at the intersection of public and private finance. The lesson from Slovakia's public procurement beneficial ownership registry and the live case of Czech Prime Minister Andrej Babiš's failed attempt to conceal his control of Slovak companies in receipt of large EU subsidy, is that strong beneficial ownership registers deliver domestic and transnational results.

Additionally, knowing who owns the companies lowers the cost of compliance and due diligence for all businesses, big and small and is critical to ensure tax compliance. A new international coalition, the Beneficial Ownership Leadership Group is making progress towards opening up company registers. We invite countries to join the group to ensure that all Business Ownership data is released openly. For more information visit <https://www.openownership.org>

# FOLLOW THE MONEY - A perspective from Latin America

By Marcelo Giullitti Oliva, ACIJ, Argentina

COSP8 is an opportunity for the advancement of the anti-corruption agenda worldwide, and especially in developing countries, where its impact is affecting progress towards the Sustainable Development Goals. We have seen a growing correlation between corruption and environmental crimes in a struggle for natural resources in Latin America

Improving prevention measures is crucial in Latin American countries in areas such as access to information and asset recovery. While progress in access to information legislation continues, the implementation and awareness of these laws is very low at best. Open Data standards in areas such as public procurement or beneficial ownership of companies are lacking in many countries.

As in other regions, Latin America struggles with the recovery of stolen assets. Where recovery was successful,

it has been difficult to use these resources to compensate victims of corruption. Successful examples in Nigeria, following the Abacha loot, are an inspiration as mentioned by David Ugolor, Executive Director of the Africa Network for Environment and Economic Justice (ANEJ), in yesterday's session during StAR day. We need more mutual cooperation and information exchange to ensure a speedy process resulting in asset recovery. Transparency on recovered assets and the final destination of those funds is essential to establish practices that support progress on the Sustainable Development Goals.

Beneficial ownership transparency remains a key requirement, as evidenced in cases exposed by the Panama Papers investigation, for example. Transparency in beneficial ownership can also prevent phenomena such as State capture and asset laundering, which are causing a profound deterioration of democracy and the institutions of the region.



## OPEN THE CURTAINS NOW !

The Chair of the UNCAC Coalition, David Banisar from Article 19, addressed the Plenary of the Conference of States Parties on Tuesday, 17 December in Abu Dhabi. We share his statement here:

“The Coalition looks forward to the UN GA Special Session 2021 (UNGASS) and the process leading to a reinvigoration of the UNCAC and urges delegations to remember the crucial role of CSOs in the process of fighting corruption.

We are concerned about the 2nd UNCAC review cycle being vastly behind schedule and the lack of a follow-up process. Civil society needs to be better substantively involved, rather than the often superficial way it is cur-

rently engaged. We should be partners, not window dressing.

We call for all countries to adopt verified open data based beneficial ownership registers to eliminate shady shell corporations and the criminals that hide behind them. We urge the UNCAC CoSP8 to eliminate these now. “Sunshine is the best disinfectant” – Open the curtains now!

More than 60 countries, including most in this region, have not adopted access to information laws to allow citizens to obtain information and provide oversight on the public institutions funded by taxpayer money. It is high time to implement UNCAC Articles 10 and 13 and Article 19 of the International Covenant on Civil and Political Rights (ICCPR).

Only 30 countries have adopted comprehensive whistleblower laws as called for in Article 33. This secrecy of



# 19 COUNTRIES JOIN THE TRANSPARENCY PLEDGE



*By Mathias Huter, Hub Coordinator, UNCAC Coalition*

A lot of work, time and energy is required from all the experts involved in an UNCAC implementation review. At the end of the long process, however, only a 10-page executive summary is released, summarizing a full report of often 300 to 500 pages. The impact of the review can be maximized by ensuring a high level of openness and the inclusion of civil society and other non-state stakeholders in the process. To this aim, the UNCAC Coalition has developed the Transparency Pledge, complemented by a Guide on Transparency and Participation in the UNCAC Implementation Review.

The Transparency Pledge lays out six principles that governments should commit to: publishing the review schedule and contact information of the coordinator (focal

point), releasing the self-assessment and the full country report, announcing the completion of the process and organizing a civil society briefing on the findings of the report, as well as supporting the participation of CSO observers in UNCAC subsidiary bodies.

We are glad to announce that Austria has just signed the pledge, bringing the number of signatories to 19.

Find more information about the Pledge and the Guide at <https://uncaccoalition.org/uncac-review/transparency-pledge>

Would you like to discuss how your country can promote a transparent review process? Are you supporting specific principles of the Pledge? You can show your support by taking a fun picture with transparency principles.

Let's chat! You can find us at the NGO Lounge.

## COSP 8 SPEAKER DENIED ENTRANCE TO ABU DHABI

The Serbian journalist Stevan Dojčinović, founder and editor-in-chief of the Crime and Corruption Reporting Network KRIK, was detained on December 18 2019 at Abu Dhabi airport. He was put on a return flight to Serbia after hours of questioning. Mr. Dojčinović was scheduled to speak on the panel “New Approaches in Addressing Cross-Border Corruption, Money Laundering & Organised Crime”, hosted by Transparency International, the German Agency for International Development (GIZ) and the Global Initiative against Transnational Organized Crime. Mr. Dojčinović had an official invitation from UNODC and was registered for COSP8 as a member of the UNCAC Coalition's delegation.

He is a regional editor for the Organized Crime and Corruption Reporting Project (OCCRP), his reporting has focused on money laundering by Serbian business elites and links between organised crime and government officials. Dojčinović is a 2019 Knight International Journalism Award winner and also received the 2019 EU Award for Investigative Journalism in Serbia. Civic space to participate in the Conference



has been severely limited: five organizations were not allowed to attend due to objections from unknown states, numerous civil society activists from Arab countries were not given visas in time and a statement by CSOs on the restricted civic space in Arab countries was not accepted by the Conference due to countries being referenced; the conference, including a dedicated space for NGOs, is also covered by extensive video surveillance.

## OPEN THE CURTAINS NOW (Continued from Page 2)

information is hiding fraud, waste and mismanagement. Open the curtains now!

We call for transparency and accountability in the return of stolen assets. It is often too difficult for states to get money back. Civil society has a critical role in ensuring oversight that money is not lost again, that victims are compensated and SDGs achieved.

On asset recovery, we ask the UNCAC COSP8 to endorse the GFAR principles and the Oslo Statement on Grand Corruption and to ensure their implementation universally.

Civic space is under threat worldwide. CSOs that fight corruption, promote human rights and bring critical oversight are being limited. This year alone, 50 journalists have been murdered.

Here, at UNCAC COSP8, five Civil Society Organizations were banned from attending for unknown reasons by unknown states with no real recourse. If the states are serious about the rule of law, it must start here. Open the curtains now!"

## YOUR NEW YEAR'S RESOLUTIONS ON THE WALL

Write your anti-corruption wish on the UNCAC Coalition light net in front of the NGO Lounge until Friday.

We will share a selection of resolutions with you in our last and final edition of "The Observer".



## WHO OWNS THESE COMPANIES?



Go on a chase to find who owns those companies making business and who knows, you might even find the money and get a prize! Drop by the NGO Lounge and play the game.

## Events to attend...

WHEN	TITLE	WHERE
18 DEC 17.00	GLOBAL THREATS, and international cooperation. new approaches in addressing cross-border corruption, money laundering and organised crime . By the GIZ Global Program combatting Illicit financial flows.	CR 6
19 DEC 10.00	TRAINING FOR CSOs: Human Rights and Anti-Corruption. By the UNCAC Coalition and the Center for Civil and Political Rights.	NGO Lounge
20 DEC 9.00	Making transparency work: Technology-driven approaches to facilitate public access to information. By the Slovak Republic and the UNCAC Coalition.	CR 6

## THE OBSERVER



The Observer is a publication by the UNCAC Coalition, a global network of over 300 civil society organisations in over 100 countries, committed to promoting the ratification, implementation and monitoring of the UN Convention against Corruption (UNCAC).

Established in August 2006, the Coalition mobilises civil society action for UNCAC at international, regional and national levels.

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You can find the UNCAC Coalition team at the NGO Lounge during the COSP8

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