

Transparency International's Ideal St Petersburg G20 Communiqué

As the G20 leaders take centre stage in St Petersburg, their deputies will be working hard to negotiate final edits and rewordings of the St Petersburg Communiqué.

Fighting corruption is one of the priority areas for the Russian presidency under an overarching focus on “growth through trust and transparency”. As a result, the hosts have been working on priority issues with their international peers in the G20 Anti-Corruption Working Group. Here is our ideal G20 Communiqué on those issues along with a couple of our own to demonstrate the concrete language the G20 Leaders should adopt as the foundation for strong anti-corruption progress in the coming year.

Combating money laundering and proceeds of corruption

“To avoid criminal misuse of legal entities which can facilitate money laundering, we recognise that the beneficial ownership of trusts and companies should be mandatorily collected in registers, accessible to relevant investigative and judicial authorities and the public. In April 2013, the G20 Finance Ministers recognised the risks created by “opacity of legal persons and legal arrangements” and in June the G8 committed to implementing individual national action plans on transparency of company ownership and control. We commit all G20 countries to draft and implement beneficial ownership action plans with the intention of moving towards mandatory registers in the coming 12-24 months. These action plans should ensure that banks are equally committed to conducting enhanced anti-money laundering due diligence checks on politically exposed clients.

To facilitate asset recovery, we commit ourselves to speeding up mutual legal assistance procedures across borders and will designate focal points in each jurisdiction. We will also draft and adopt robust legal frameworks in each jurisdiction to enable victims of corruption and civil society to take asset recovery cases to court. As donor governments, we pledge to ensure full transparency in the issuing and receiving of funds so that they are not diverted for corrupt purposes”

Denial of entry for corrupted officials

“We recall our G20 Anti-Corruption Working Group principles for denial of entry to our countries of corrupt officials and those who corrupt them, but we also commit to jointly committing to a common basis for visa denial of corrupt officials, to demonstrate our commitment to the highest levels of accountability.”

Whistleblower protection legislation

“We recall the commitment made in the Action-Plan that all G20 countries will enact and implement whistleblower protection rules and “take specific actions, suitable to the jurisdiction, to ensure that those reporting on corruption, including journalists, can exercise their function without fear of any harassment or threat or of private or government legal action for reporting in good faith”. We underscore that the whistleblower frameworks in each G20 country will include a range of internal and external disclosure channels and comprehensive and transparent enforcement provisions. Such

legislation should ensure prompt, effective and independent follow-up of disclosures and complaints and full legal remedies for whistleblowers in case of retaliation.”

Tax transparency

“G20 countries will implement greater domestic and international inter-agency cooperation to enable more effective cross-border information-sharing and overcome existing legal, operational and political barriers to legal assistance. We endorse the commitment of the G20 Finance Ministers and Central Bank Governors towards establishing automatic exchange of information as the new, global standard, and we underscore our willingness to engage with the OECD as they embark on drafting the standard to be completed in 2014. We also reiterate the call on all countries to join the Multilateral Convention on Mutual Administrative Assistance in Tax Matters without further delay.”

Country-by-country and project-by-project reporting in the extractives industries

“We take note of legislation in the US and the EU requiring extractives companies to disclose payments to governments on a country-by-country and project-by-project basis. We recognise that mandatory disclosure of payments and operations on a country-by-country and project-by-project basis mitigate political, legal and reputational risks and will generate timely, disaggregated and easily comparable data. We pledge that all G20 countries shall move towards adopting similar extractives industry legislation with a longer-term view to future roll-out of legislation in other sectors.”

Ending foreign bribery

“Foreign bribery, including facilitation payments have a detrimental long-term impact on profits and undermine the company’s internal integrity but also undermines the governance, economic development and rule of law on a national level. We encourage China, India, Indonesia and Saudi Arabia to ratify the OECD Anti-Bribery Convention and its review process. We commit to publicly issue regular reports on all payments our governments receive from companies. We also pledge that all G20 countries will lead in tackling impunity for foreign bribery cases, and install robust legal mechanisms that provide compensation to victims.”

Financial transparency and disclosure for public officials

“We recall and commit to implement principles for asset disclosure by public officials agreed on at the Los Cabos Summit in 2012 to prevent corruption of public officials in line with Article 8.5 of the UN Convention against Corruption. Asset disclosure regimes should guarantee public access to declarations and cover a wide range of income and benefits from different sources. Conflicts of interest need to be proactively disclosed and adequate accountability mechanisms should be introduced. Elected public officials should not enjoy immunity when charged with corruption offenses.”

Promotion of UNCAC

“We recall our commitment in the Anti-Corruption Action Plan 2013-2014 to lead by example by voluntarily allowing country visits, involving the private sector and civil society in reviews, and publishing in full the review reports, including our responses to identified deficiencies. “We are glad that Germany and Japan have committed to ratify the UNCAC by end of 2014 and we pledge that those countries that retain reservations will regularly reassess them in partnership with relevant

authorities and civil society, as well as optional requirements that have not yet been implemented. We also pledge that G20 countries will lead and engage in discussions at the 5th Session of the Conference of States Parties to UNCAC on the possible establishment of a complaints mechanism for non-compliance.”

Independence of anti-corruption agencies

“We underscore the necessity of independence of anti-corruption agencies, and jointly commit to ensure that heads of anti-corruption commissions in our countries are appointed through a process that ensures their independence, impartiality, neutrality, integrity, apolitical stance and competence and are shielded from dismissal without a full legal procedure that is clear and transparent.”

Deepening the engagement of business community

“It is crucial that as governments we adopt and enforce anti-bribery legislation to protect companies from corruption and to ensure international level playing fields. However, we also call for businesses to take a zero-tolerance policy towards bribery and corruption, and operate in a transparent manner, disclosing their operations and finances in an open manner. We will continue to engage with the B20 and ensure a tri-partite space for the G20, C20 and B20 to engage upon joint strategies to combat corruption.”

Anti-corruption training to build a corruption-free society;

“We endorse the B20 recommendation to implement annual training programmes for public officials on the latest developments in national and international legislation. Equally, we call upon the B20 to adapt the G20 training course for roll-out in the private sector, including within small and medium size enterprises (SMEs) and make it a compulsory component of the governance of any business participating in the B20.”

Eradicating corruption in major sporting events

“We recognize that corruption in major international sporting events is widespread and manifested in many ways, including in the awarding of big sport events to cities or nations, or in the bidding process for construction contracts or other procurement services. We note that there are links between match-fixing, sports betting, money laundering and organised crime, operating across borders and via secrecy jurisdictions and shell companies.

We hereby launch at this Summit a new “Global Alliance for Integrity in Sporting Events”, bringing together G20 countries, crucial actors from global sporting entities, anti-fraud organisations, members of the private sector such as construction companies and the media, civil society and relevant international bodies. By the end of 2014, this body will develop strong and robust evaluation criteria for the selection of host countries with clear rules for governments and companies to abstain from any undue influence on decision-making bodies and draft comprehensive integrity pact frameworks to be rolled out as a requirement within international sporting event procurement processes.”