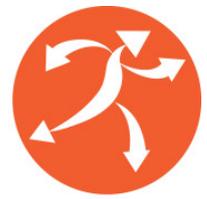




**TRANSPARENCY
INTERNATIONAL**
the global coalition against corruption



global witness

Christine Lagarde
Minister for Economy, Finance and Industry
Ministry of Economy, Finance and Industry
139, rue de Bercy - Télédoc 536
75572 Paris Cedex 12
Republic of France

15 February 2011

Dear Minister Lagarde,

Transparency International (TI) and Global Witness together with over 70 international and national civil society organisations welcomes the ongoing work of the G20 to combat corruption, and in particular the detailed Anti-Corruption Action Plan announced in Seoul last November. We welcome the emphasis put by you and the French government on enhanced transparency in the global financial system since the onset of the global crisis in 2008. Anti-corruption efforts are crucial in order to secure sustainable development for all based on the rule of law and a sound, well-regulated and accountable global financial system.

We have noted with appreciation that the G20 has emphasized its intention to reach out to all relevant stakeholders, including the business sector and civil society. Drawing on our expertise we have written to the Co-Chairs of the Anti-Corruption Working Group with our recommendations on how to effectively implement the Action Plan.

A number of our suggestions to fight corruption would also help the G20's broader goals of financial stability and economic development. At the heart of this is financial transparency. Two of our recommendations – registries of the beneficial owners/controllers of companies and trusts and requiring companies to report their accounts on a country-by-country basis – would provide investors, citizens and government agencies with crucial information to tackle financial crime and tax dodging. This needs to be complemented with a renewed focus on the proper implementation of the rules. For example, the Financial Action Task Force (FATF) needs to focus its anti-money laundering evaluations on whether countries are actually enforcing laws designed to stop dirty money flows, not just that laws are in place.

As the Action Plan notes “as leaders of major trading nations the G20 has a special responsibility to prevent and tackle corruption, establish legal and policy frameworks that promote a clean business environment and to continue to assist G20 countries in their capacity building efforts to combat corruption”.

We would be please to meet you or your staff at your convenience to discuss these issues in more detail.

Yours sincerely,

Huguette Labelle
Chair
Transparency International

Gavin Hayman
Director of Campaigns
Global Witness

cc. G20 Ministers of Finance and the Co-Chairs of the G20 Anti-Corruption Working Group