

KICK-OFF MEETING OF THE “ENHANCING BENEFICIAL OWNERSHIP TRANSPARENCY” PROJECT

PRELIMINARY DRAFT AGENDA

19-20 May 2016 - TI EU Office, Rue de l'Industrie 10, Paolo Freire Room, Brussels

ABOUT THE “ENHANCING BENEFICIAL OWNERSHIP TRANSPARENCY” PROJECT

The recent scandal of Panama papers has shown again how anonymity about who ultimately owns and controls companies facilitates illicit domestic and cross-border money laundering, corruption, tax evasion and other crimes. This makes the call for transparency of beneficial ownership even more pressing. The recently adopted 4th Anti-Money Laundering Directive is an encouraging step in this direction and should be transposed in national legislations by mid-2017.

Transparency International is contributing to this effort towards more transparency by implementing a 12-month project – Enhancing Beneficial Ownership Transparency (EBOT) - to assess the regulation and transparency of the ownership structures of companies, trusts and other legal entities in six EU Member States. The project formally started on 1 March 2016. This pilot project will cover in particular Czech Republic (CZ), Italy (IT), Luxembourg (LU), the Netherlands (NL), Portugal (PT), and Slovenia (SI).

The main objectives of the project are to (i) foster effective national and European frameworks that ensure timely access to accurate beneficial ownership data and (ii) prevent the abuse of companies, trusts and other legal structures for the laundering of corrupt assets. In particular, the project aims at:

- Identifying challenges and best practices for beneficial ownership transparency in six EU countries (CZ, IT, LU, NL, PT and SI) through research and analysis;
- Collecting evidence and case studies involving corruption and hidden ownership;
- Developing recommendations to enhance beneficial ownership transparency at national and EU level;

- Raising awareness on beneficial ownership transparency at the European and national levels; Improve cooperation between civil society and relevant authorities on beneficial ownership transparency;
- Building expertise in TI National Chapters on beneficial ownership transparency, ensuring a basis for future TI work in this area

The main activities of the project centre on the production of research and analysis on beneficial ownership transparency in the project countries. It shall examine the legal and institutional framework, with a particular focus on existing legal provisions and their actual enforcement, the role of key stakeholders, high-risk sectors and cross-border cooperation. On the basis of this research, the study will identify challenges, best-practices and recommendations for improving beneficial ownership.

OBJECTIVES AND FORMAT OF THE MEETING

The objectives of the meeting are to:

- Discuss organizational and methodological issues (DAY 1)
- Share expertise and knowledge on beneficial ownership related issues (DAY 2)

The first day (19 May) will be internal open to EBOT project partners and associate partners. It will provide the opportunity to clarify organisational as well as substantive and methodological issues. The second day will take the form of a training workshop where external experts will be invited to share their expertise and experience on beneficial ownership issues.

TENTATIVE AGENDA

<p style="text-align: center;">DAY 1 – INTERNAL WORKSHOP <i>(open to EBOT project partners and associate partners)</i></p> <p style="text-align: center;">19 May (Paolo Freire Room, TI EU Office)</p>	
9:00 – 9:15	<p>Welcoming remarks</p> <ul style="list-style-type: none"> • <i>Carl Dolan, Director, Transparency International EU</i>
9:15-10:30	<p>Session 1 – Introduction and general overview of the project</p> <p>Chair: Carl Dolan, Director, TI EU</p> <p>The first session will be dedicated to a short introduction by the different EBOT project partners and an overall presentation of the project.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Round of introduction of EBOT project partners’ teams and other associate partners • Overall presentation of the project: clarification of objectives, expected outputs and deliverables, division of roles and responsibilities, internal communication and coordination, advocacy around transposition process by Laure Brillaud, EBOT Project Coordinator, TI EU • Open discussion <p>For reference:</p> <ul style="list-style-type: none"> • <i>Draft terms of reference for project partners</i>
10:30 -11:00	Coffee Break
11:00 – 12:30	<p>Session 2 – Review of organisational issues</p> <p>Chair: Laure Brillaud, EBOT Project Coordinator, TI EU</p> <p>The second session will be dedicated to reviewing and discussing organisational issues including aspects related to the project budget, financial reporting and timeline.</p> <p>Objectives:</p>

- Presentation of financial reporting rules by **Patrik De Bekker, Unit E1 – Union actions , DG Migration and Home Affairs, European Commission**
- Update on financial reporting and budget by **Michael Fivet, Office Manager, TI EU**
- Update on timeline by **Laure Brillaud, EBOT Project Coordinator, TI EU**
- Open discussion

For reference:

- *Draft project timeline*

12:30 – 14:00 Lunch at Kamilou

14:00-16:00 Session 3 – Review of methodological issues

Chair: Carl Dolan, Director, Transparency International EU

The third session will focus on an in-depth review of the methodology prepared by TI EU with the assistance of David Michael Artingstall, external consultant. In an interactive setting, the session shall provide guidance on how to carry out the national risk assessments of beneficial ownership transparency. The discussion shall also clarify the expectations regarding the conduct of specific case studies that shall illustrate with individual and concrete examples how anonymity and opacity around beneficial ownership can serve to hide the proceeds of illegal activities.

Objectives:

- Presentation of the draft methodology to carry out the national risk assessments and the associated case studies by **David Michael Artingstall, external senior consultant**
- Presentation of methods and key findings of the book *Global Shell Games: Experiments in Transnational Relations, Crime, and Terrorism* by Michael G. Findley, Daniel L. Nielson and Jason C. Sharman by **Daniel Nielson, Professor and Associate Chair in the Department of Political Science at Brigham Young University**
- Feedback from EBOT project partners and associate partners on the draft methodology
- Wrap-up and summary of amendments and comments to be integrated into the draft methodology

For reference:

- *Draft methodology and guidance to carry out national risk assessments and case studies*
- *Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing – sent in electronic format*
- *FATF Guidance on Transparency and Beneficial Ownership – sent in electronic format*
- *TI Report on Just for Show - Reviewing G20 promises on beneficial ownership – sent in electronic format*
- *Eurodad report on Fifty Shades of Tax Dodging – sent in electronic format*
- *Global Witness report on International Thief Thief – How British Banks are Complicit in Nigerian Corruption - sent in electronic format*

16:00 -16:30	Coffee Break
16:30 - 17:30	<p>Session 4 – Current status of the national transposition process of the 4th European Anti-Money Laundering Directive in project countries</p> <p>Chair: Laure Brillaud, EBOT Project Coordinator, TI EU</p> <p>The fourth session will provide the opportunity for participants to get an update by EBOT project partners on the different policy development in their respective countries.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Update by each EBOT project partner on the current policy developments regarding the transposition process of the 4th EU AMLD • Presentation by Claus Kütting, Independence and Risk Management Partner, PwC and Chair of AML Working Party of FEE (Federation of European Accountants) on customer due diligence rules applying to and practices of accountants • Open discussion
17:30 - 18:00	Wrap up and next steps
19:00 -21:00	Dinner with all project partners

DAY 2 – EXTERNAL TRAINING WORKSHOP

(open to EBOT project partners, associate partners and external experts)

20 May (Paolo Freire Room, TI EU Office)

9:00 – 9:15 *Welcoming remarks*

- *Carl Dolan, Director, Transparency International EU*

9:15-10:30 **Session 5 – Framing the issue: understanding the role of anonymous companies in recent corruption and money laundering cases**

Chair: Carl Dolan, Director, TI EU

The fifth session will provide the opportunity to get a better understanding of the implications of and draw lessons from the recent scandal of the Panama papers for policy making at the international and national levels.

Kick-off interventions by:

- **Robert Palmer, Anti-corruption expert and campaigner, Global Witness** on disentangling the role of anonymous legal entities or arrangements in concrete corruption/money laundering cases
- **Hans-Martin Tillack, investigative journalist, Stern** on cases involving anonymous companies
- Open discussion

For reference:

- *Global Witness Report on Poverty, Corruption and Anonymous Companies - How hidden company ownership fuels corruption and hinders the fight against poverty - sent in electronic format*
- *Global Witness report on International Thief Thief – How British Banks are Complicit in Nigerian Corruption - sent in electronic format*

10:30 -11:00 **Coffee Break**

11:00-12:30 **Session 6 – Current international and EU standards and practices on beneficial ownership transparency**

Chair: Carl Dolan, Director, TI EU

The present session will provide an overview of current international (G20 High-Level Principles on Beneficial Ownership Transparency, FATF recommendations, etc.) and EU standards and practices, looking at main

recommendations and provisions (definition of beneficial ownership, information disclosure requirements, etc.) and highlighting their limitations and shortcomings.

The session will also provide the opportunity to update participants on the current international and European agenda for beneficial ownership transparency (e.g. revision of the 4th European Anti-Money Laundering Directive, etc.).

Kick-off interventions by:

- **Sebastiano Tiné, Policy Officer, Fight Against Organised Crime, DG Migration and Home Affairs, European Commission** on the 4th European Directive on Anti-Money Laundering (e.g. provisions on beneficial ownership transparency, background history of the genesis of the Directive, ways forward, etc.)
- **Michele Riccardi, Senior Researcher, Transcrime** on accessing and analysing ownership information across EU countries
- **Koen Roovers, EU advisor, Financial Transparency Coalition** on international and European standards and regulations on beneficial ownership transparency, limitations and gaps
- Open discussion

For reference:

- *FTC Policy Notes clarifying certain aspects related to BO transparency (legitimate interest, open data budget, data protection) – sent in electronic format*
- *Bownet report on the Identification of Beneficial Owners in the Fight against Corruption and Money Laundering – sent in electronic format*
- *Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing – sent in electronic format*
- *FATF Guidance on Transparency and Beneficial Ownership – sent in electronic format*
- *TI Report on Just for Show - Reviewing G20 promises on beneficial ownership – sent in electronic format*

12:30 – 13:30 Lunch at Kamilou

13:30 – 15:00 **Session 7 – Communication and dissemination of key findings**

Chair: Laure Brillaud, EBOT Project Coordinator, TI EU

The present session will focus on identifying how to disseminate the key findings and messages of the project and reach out to a various range of actors.

- Presentation of possible contribution of EBOT case studies to Global Witness' interactive website on cases involving anonymous companies and by **Robert Palmer, Anti-corruption expert and campaigner, Global Witness**
- Presentation of EBOT project's communication plan at EU level by **Alex Johnson, Communications Officer, TI EU**
- Presentation on EBOT project's communication and outreach plans at the national level by **EBOT project partners**

15:00 -15:30

Coffee Break

15:30 – 17:00

Session 8 – Current country and business practices and experiences

Chair: Laure Brillaud, EBOT Project Coordinator, TI EU

The last session will look at current practices and experiences highlighting implementation and enforcement challenges and assessing the effectiveness of measures and regulations in place.

- **Robert Palmer, Anti-corruption expert and campaigner, Global Witness** on UK new regulations on beneficial ownership transparency
- **Helen Darbishire, Executive Director, Access Info Europe** on company registers' accessibility
- **Amir Shafaie, Senior Legal Analyst, Natural Resource Governance Institute** on lessons learnt from the EITI (Extractive Industries Transparency Initiative) BO reporting experience
- **Daniel Nielson, Professor and Associate Chair in the Department of Political Science at Brigham Young University** on professional enablers' practices
- Open discussion

For reference:

- *TI UK report on Don't Look, Won't Find - Weaknesses in the Supervision of the UK's Anti-Money Laundering Rules - sent in electronic format*

- *Draft Statutory Guidance by UK Department for Business Innovation and Skills on the meaning of "Significant Influence or control" over companies in the context of the Register of People with Significant Control – sent in electronic format*
- *Access Info Europe and OCCRP's report on It's none of your business! – Report on Europe's Closed Company Registers – sent in electronic format*
- *Eurodad report on Fifty Shades of Tax Dodging – sent in electronic format*

17:00 – 17:30 | **Wrap up and conclusions**