



FINANCIAL
TRANSPARENCY
COALITION



global witness 



15-12-2014

Dear Ms Sargentini, dear Mr Karins,

Cc MEPs Engel, Giegold, Gomes, Jezek, Kari, Kirkhope Simon, and Torvalds

We appreciate the work you have done, in this and the previous parliament, to secure strong measures in the review of the Anti-Money Laundering Directive. Indeed, the plenary vote on 11 March 2014 showed an overwhelming agreement across political groups, with 643 votes in favour and only 30 against. Core to the European Parliament's position are centralised registers of beneficial ownership that are open to the public, in an open and secure data format and possibly subject to online registration and an administrative fee.

We, representatives of civil society organisations that work towards greater financial transparency, campaigned for and warmly welcomed the inclusion of this requirement in the Directive. **We ask that you do not to accept any compromise tomorrow that does not include fully public information on beneficial owners.** The Parliament is the institution that speaks out against vested interests and for the good of ordinary citizens and must proudly stand by its position: public access to information will help curb tax scandals and will help all member states recover more illicit flows.

We now understand that in the trilogue, a compromise proposal has been discussed among the Parliament's negotiators that would permit member states to restrict access on the basis of a 'legitimate interest'. Moreover, a range of exemptions has been suggested to enable certain categories of beneficial owners to avoid registration and the transparency which accompanies that. **We urge you not to give in on this crucial point and to maintain Parliament's position on fully public access to information on beneficial owners.**

Those two issues risk undermining the effectiveness of the proposed public registers. A 'legitimate interest' test could enable each member state to set different standards, incentivizing the unscrupulous to take advantage of a less transparent regime elsewhere within the EU.

On the issue of case-by-case exemptions, the burden of proof should be with the beneficial owner, who should be required to demonstrate a specific and imminent risk (for example, in cases where the beneficial owner has received threats). Furthermore, to include 'identity theft', 'fraud' and 'being underage' as categories of exemption could make it very easy to attain exemption and we urge you to remove these from any agreed list of exemptions.

Much welcome progress has been made during the trilogue negotiations. At first you met with staunch resistance to 'centralised' registers from a number of member states. Since then all have agreed to one centralised location and at least two member states (Denmark and The Netherlands) which initially opposed public access have changed their minds and now support the inclusion of public registers.

With so much momentum in favour of public registers, reflecting the overwhelming mandate given in the Parliament vote in March, we **urge you to stay strong on public registers. This is the EU's best chance in the foreseeable future to set a global standard on anti-money laundering measures, and it cannot afford to miss it.**

Yours sincerely,

Angela Corbalan, Oxfam EU Advocacy Office
Nienke Palstra, Transparency International EU Office
Tove Maria Ryding, European Network on Debt and Development
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