

Députés européens



Les Verts | Alliance Libre Européenne
au Parlement Européen

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Au sujet de: blanchiment d'argent / paradis fiscaux

A l'attention de Michel Barnier
Commissaire Européen pour le Marché Intérieur

Bruxelles, le 25.4.2012

Monsieur le Commissaire, Chèr Michel

We (the Green ECON Team) are writing to you following the recent release of the Commission's application report on the Third **Anti-Money Laundering Directive**. This report provides a very welcome basis for the upcoming revision of the Directive.

We see this revision as key to bringing **transparency to secrecy jurisdictions (tax havens)**, an objective we know you share and feel strongly about. In this respect, we wish to highlight a particular area of concern: the ongoing problems with accessing **information on the beneficial owners of European companies and trusts**, which is touched upon by your report. **The EP recently voted** (last week and last September) with overwhelming majority twice on the issue:

*Considers that strengthening the regulation of, and transparency as regards, company registries and registers of trust is a prerequisite for dealing with tax avoidance;*¹

*Calls on the Commission to make the fight against the abuse of anonymous shell companies in secrecy jurisdictions, enabling criminal financial flows, a key element of the upcoming reform of the Anti-Money Laundering (AML) Directive;*²

¹ ► European Parliament resolution on the call for concrete ways to combat tax fraud and tax evasion
<http://www.europarl.europa.eu/sides/getDoc.do?type=MOTION&reference=B7-2012-0203&language=EN>

² ► European Parliament resolution on the EU's efforts to combat corruption
<http://www.europarl.europa.eu/sides/getDoc.do?type=MOTION&reference=B7-2011-0481&language=EN>

At present it is all too easy for corrupt politicians, organized gangs, terrorist financiers, tax dodgers and other criminals to hide their identity and therefore their assets behind anonymous shell companies and trusts.³ This makes it incredibly difficult for banks, lawyers and other institutions to carry out their legal obligation under the Directive to identify the ultimate, or beneficial, owner or controller of their customers. It also means that in many cases citizens do not know who is behind key resources.⁴

As part of the Commission's discussions with stakeholders, both industry and civil society requested that more information be provided by member states on the ownership of companies incorporated within their jurisdictions. This echoes the EU's Internal Security Strategy⁵ call "to enhance the transparency of legal persons and legal arrangements", as well as the Financial Action Task Force's recommendation that countries should ensure that information is available on the ownership of companies.⁶

We believe that at present the original purpose of companies – to promote economic development and entrepreneurialism – is thus being subverted, and corporate anonymity is used to launder illicit funds and dodge taxes.

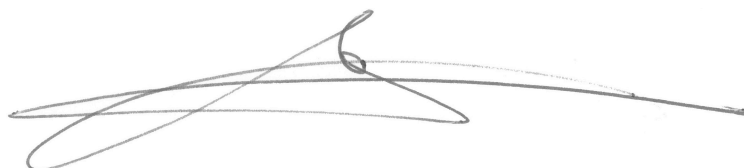
We would like to suggest that the revised Directive tackle this serious issue. In our opinion, member states should be required to publically list the beneficial owner(s) of all companies registered there. Nominee directors and shareholders should be required to state on whose behalf they are working, as suggested by the Financial Action Task Force. And adequate third country rules should address the abuse of jurisdictions outside the EU.

If this is not dealt with, European companies will continue to be abused, undermining the integrity of our financial system, as well as damaging its reputation. **We believe that the revision of the Directive provides an excellent opportunity for the EU to take a leadership role in challenging the prevailing corporate ownership secrecy that currently allows money laundering and tax evasion to flourish.**

We hope we strike a chord with you on this issue, and we are of course at your disposal for further clarification and discussion.

kind regards,

Pascal Canfin, on behalf of the Green ECON Team



³ See for example, The World Bank, *Puppet Masters: How the corrupt use legal structures and what to do about it*, 2011.

⁴ See for example, Eric Joyce MP, 'Billions in underpriced DRC state asset sales', 18 November 2011.

⁵ Commission Communication, 'The EU Internal Security Strategy in Action: Five steps towards a more secure Europe', COM (2010)673 final.

⁶ FATF Recommendation 24.