

G7 Interior and Security Ministers

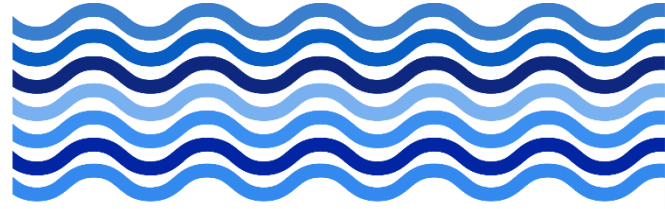
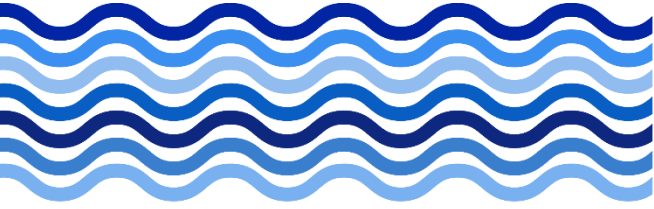
Ministerial Commitments

7th to 9th September 2021

Annex 3: Statement against corruption and kleptocracies

Introduction

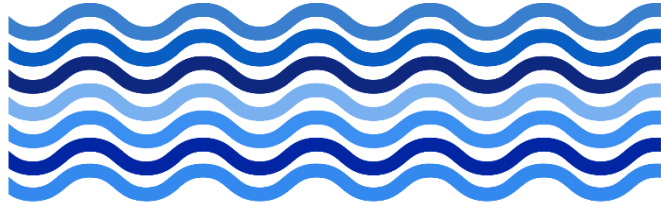
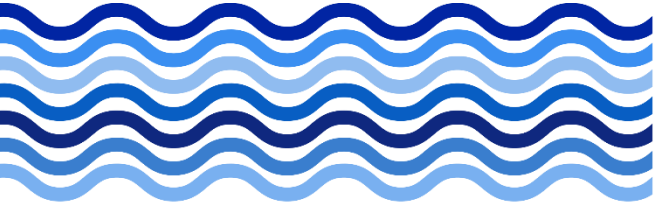
1. In June 2021, Leaders of the G7 highlighted the need for action on corruption, including by sharing information on illicit financial activities, tackling the misuse of shell companies, and curtailing the ability of illicit actors (including organised criminals) to hide wealth, including in real estate. G7 Interior and Security Ministers recognise that corruption and illicit finance drain public resources, but also leach trust in democratic institutions and threaten the stability and security of societies. They enable kleptocracy to flourish at the expense of open economies, and fuel organised crime. Corruption exacerbates existing socio-economic power imbalances and therefore disproportionately affects women and girls. The pandemic has provided new opportunities for corruption to flourish, whilst undermining the ability of institutions to tackle the increased threat.
2. As a unique forum of leading economies, financial centres and democratic societies, the G7 affirm the need for leadership on this agenda.
3. We recognise the vital role played by civil society, journalists and media in uncovering corruption and the importance of civic space for this work. We condemn all intimidation, harassment and violence against journalists investigating corruption. We re-emphasise the important commitments to media freedom made by the G7 Foreign and Development Ministers and welcome the work of the Media Freedom Coalition and the Partnership for Information and Democracy. We ask our diplomatic missions to co-ordinate locally to increase support to, and engagement with, journalists and independent media under threat, including those investigating corruption. We commit to providing support which enables journalists to investigate corrupt practices free from harassment and harm. We will make efforts so that the conditions are present for civil society's effective contribution to achieving the objectives of the UN Convention against Corruption (UNCAC), including to operate independently and without fear of reprisal. We will encourage other countries to do the same.
4. Finance Ministers set out that they are implementing and strengthening registries of company beneficial ownership information to provide timely, direct and efficient access for law enforcement and other competent authorities to adequate, accurate and up-to-date information, including



through central registries, in order to better tackle the illicit finance generated by corruption, environmental crimes, and transnational organised crime. This represents important progress in tackling corruption. Finance Ministers also called on all countries to fully implement the Financial Action Task Force (FATF) Standards for tackling illicit finance, and strengthen them.

Enhancing transparency and collaboration in corruption investigations

5. We renew our shared political commitment to regional and global co-operation among law enforcement authorities to counter money laundering linked to corruption, and to effectively recover the proceeds of crime. We recognise the importance of supporting corruption investigations, and of effectively tracing assets stolen through corruption. In particular we commit to supporting investigations of major corruption cases by low income countries, where the loss of resources can have a devastating impact on sustainable development.
6. We welcome the progress made since the establishment of the International Anti-Corruption Co-ordination Centre and note its important role in supporting low income countries by bringing together specialist law enforcement officers from multiple agencies around the world, as well as providing tailored technical assistance. We commit to strengthening our support for its efforts.
7. We underline the importance of returning confiscated assets acquired through corruption in a transparent and accountable manner, and that returns ultimately benefit those harmed by corruption. Where possible, we commit to publicising individual asset returns, so that victims of corruption, civil society and the wider public can see that justice is done.
8. We commit to supporting other countries to easily request our help to recover proceeds of crime by maintaining high quality mutual legal assistance guidance on our websites, which will also be made available on the World Bank and UNODC's Stolen Asset Recovery Initiative and through the Camden Asset Recovery Interagency Network. We recognise that navigating countries' disparate mutual legal assistance processes may be a challenge. We are committed to assisting countries to draft effective requests through bilateral consultations between central authorities and their respective asset recovery experts.
9. Because corruption cases involving vast quantities of assets often cross multiple jurisdictions, it is not always possible for G7 countries to convict the corrupt individuals. In these situations, targeting the criminals' assets, in a manner consistent with UNCAC, including through non-conviction based asset recovery, sends a strong signal that no person is out of reach of law enforcement. In line with domestic legislation and international standards, we commit to providing effective cooperation in both non-conviction based and



conviction-based proceedings consistent with the circumstances foreseen by UNCAC obligations and FATF recommendations. In line with this, we note the unique work of the International Anti-Corruption Coordination Centre that enables countries suffering corruption to secure the convictions needed for effective recovery of the proceeds of corruption elsewhere in the world. We commit to strengthening cooperation to deny safe haven to corrupt individuals and their ill-gotten gains.

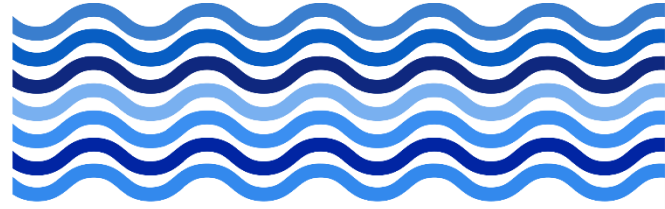
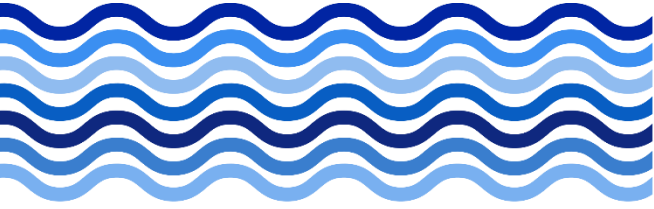
Leading good practice on emerging issues

Real estate transparency

10. As open societies, G7 countries acknowledge the importance of effectively tackling the phenomenon of corrupt and other criminal actors laundering proceeds of crime through real estate or using those sectors to finance further criminal activity. At working level, we have exchanged insights into, and approaches to tackling, this phenomenon. We are committed to taking concrete actions in our own jurisdictions to prevent real estate property transactions by corrupt actors and their enablers with corruption proceeds, and to encouraging other countries to do likewise, as part of the global fight against kleptocracy.

Open and transparent procurement

11. Covid-19 has placed public procurement under extreme stress, revealing continued vulnerability to fraud and corruption. We note countries with more open procurement systems have been better able to ensure transparency of public expenditure during the pandemic. In this context we reaffirm the G7's support for increasing transparency in public procurement to tackle corruption, strengthen competition and ensure greater resilience in the delivery of vital government services.
12. We welcome the IMF's work with borrowing countries during the pandemic to increase the transparency and oversight of contracts associated with Covid-19, including publication of contract details and the identity of the ultimate beneficial owners of contract awardees. We encourage the IMF to build on this by: (a) supporting the implementation of procurement reform commitments countries have made, in coordination with other agencies; (b) incorporating similar requirements in regular, non-emergency IMF lending programmes; and (c) engaging with civil society to receive feedback on implementation of commitments.
13. We welcome Multilateral Development Banks' support to procurement reforms and their leadership by example through best practice, including introducing beneficial ownership transparency measures and promoting open data standards in procurement reforms. We endorse the view that beneficial ownership transparency throughout the supply chain can help to mitigate

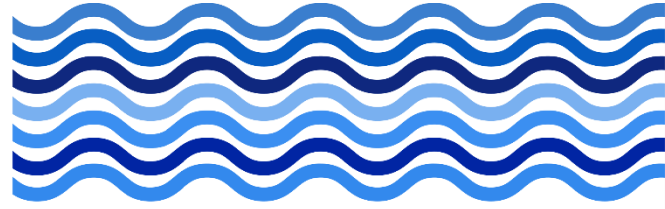
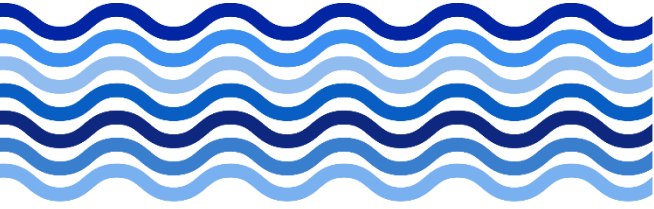


corruption risks. We encourage further steps from the Multilateral Development Banks to promote best practice in open procurement in developing countries, involving civil society and business, reporting to their Boards on current and proposed actions.

14. We welcome the growing commitment around the world to good practice in digital and open data approaches, such as adoption of the Open Contracting Data Standard and equivalent open standards that facilitate end-to-end transparency across the public procurement process. We further welcome innovative work analysing 'big' data generated by open and digitized procurement transparency which enables identification of corruption risks ('red flags') and tracks performance across multiple contracts.
15. We welcome the development of the standard Methodology for Assessing Procurement Systems (MAPS), coordinated by the OECD, noting its important transparency and open data elements. We acknowledge OECD analysis highlighting the need for transparency around the practices and ownership of companies throughout the supply chain, not just the prime contractor, and welcome further work on this.
16. We commit to strengthening our own approaches to public procurement guided by a vision of transparency and digitisation across the procurement process. And in line with the Political Declaration of the UN General Assembly Special Session on Corruption commitment to increased transparency and accountability public procurement, we reaffirm our commitment to strengthening data collection systems and to open databases that are accessible and user-friendly.
17. We endorse the G20's Call to Action on Corruption and Covid-19, in particular its emphasis on the publication of data related to public procurement, and, where data is available and publication appropriate, the beneficial ownership of entities awarded contracts. We call on the G20 to consider actions to improve the openness and transparency of public procurement through the G20 Anti-Corruption Working Group or other G20 mechanisms.

A stronger, more unified voice in global anti-corruption standards

18. We firmly reiterate the importance of strong and unified leadership in addressing corruption and reaffirm the unique role of the G7 as leading democracies, open economies and major financial centres. In line with our Leaders' commitments to working more closely together to uphold our shared values, we will continue to convene working level policy discussions to enable common positions and joint action wherever possible on issues vital for tackling global corruption. We welcome the United States' offer to serve as



host of the UN Convention against Corruption Conference of the States Parties in 2023.

19. We commit to combating foreign bribery through effective investigation and prosecution, sharing good practices and lessons learned for compliance with anticorruption and foreign bribery laws, improving private sector transparency and business integrity practices, and strengthening internal and sector standards to resist foreign bribery. We call on G20 countries to bolster efforts to effectively prevent, detect, investigate, prosecute and sanction domestic and foreign bribery. In this regard, we urge all G20 countries to adhere to the standards set out in the OECD Anti-Bribery Convention.
20. We stress the need to promote the wider participation of the private sector and of civil society as part of a holistic approach to preventing and countering corruption. Therefore, we will seek to understand and reflect their views more consistently through engagement with representatives from these groups at working level. In this regard, we welcome our discussion with civil society and business representatives on how we can best sustain momentum for future progress.

Next steps

21. Recognising the importance of the commitments in this communiqué, we each commit to embedding them in national policies and plans as appropriate, and to reviewing our progress in delivering them. We will continue to work closely together on these issues through the G20 Anti-Corruption Working Group. We recognise the efforts of the Open Government Partnership on this agenda and note that the OGP process of National Action Plans provides an opportunity for OGP members to take forward reforms in this area. We welcome the priority given to these issues at the forthcoming Summit for Democracy hosted by the United States in 2021/22.