



Press Release

Anti-Corruption Working Group C20

“G20 Countries Expected to be More Open and Participative in Anti-Corruption Policy Making”

Bali, July 7th 2022. The second meeting of G20 Anti-Corruption Working Group was held once again in Nusa Dua, Bali between July 4th-8th 2022. As part of this meeting, the civil society engagement group or C20 conveyed the importance of participation by various groups in preparing policy recommendations related to anti-corruption.

“Involvement of various stakeholders in formulating and implementing anti-corruption policy packages by G20 member states is a must. Engagement groups have the same issues as member countries to consistently counter corruption. Moreover, G20 countries must be committed to fight corruption—thus civil society participation is crucial to oversee the implementation of anti-corruption commitments,” said Dadang Trisasongko, National Coordinator of the C20 Anti-Corruption Working Group.

Aryanto Nugroho (Co-Chair C20) from Publish What You Pay Indonesia added that C20 has reminded G20 delegates that the forum’s main purpose is not only to produce documents, but ensure results such as accountability reports.

Siti Juliantari Rachman from Indonesia Corruption Watch (ICW) notes that one of the sectors vulnerable to corruption is public procurement. However, there are many information that is not yet included. Therefore, she recommends audit to investigate, increase auditor capacity, and increase public and business participation to detect potential corruption and encourage financial institutions to promote transparency.

There are four main issues being promoted by the Indonesian government through Komisi Pemberantasan Korupsi (KPK) as the Chair of ACWG G20: The Role of Audit in Eradicating Corruption, Public Participation and Anti-corruption Education, Regulatory Frameworks and Oversight of the Role of The Legal Profession in Money Laundering the Proceeds of Corruption, and Corruption Eradication in the Renewable Energy Sector. Aligning with these issues, civil society strongly recommends the following::

1) Anti-money Laundering (AML) and Asset Recovery

The G20 Indonesia Presidency must prioritize anti-money laundering and asset recovery issues, especially the role of legal professionals in fighting corruption. Therefore, the C20 ACWG demands that the ACWG G20 to oversee and review regulations and best



practice on this issue among G20 member states. Furthermore, the ACWG C20 recommends G20 countries ensure regulations, law enforcement, and supervision regarding money laundering and illicit financial flows; bolster regulations on asset freezes and recovery, and on the transparency of managers, shareholders, and ultimate beneficial owners within companies; and crack-down on professional enablers to prevent illicit financial flow and establishment of shell companies.

2) Beneficial Ownership Transparency

The G20 has committed to promoting this problem- related to the real ownership of companies- in the G20 High-level Principles. Improving the beneficial ownership transparency of corporations and other legal arrangements is essential to maintain the integrity and transparency of the global financial system. Therefore, the C20 ACWG recommends: (1) the disclosure of the ultimate beneficial owners of an entity through a free and centralized public registry accessible by the public; (2) beneficial ownership regulations which include information on the individuals involved in the creation and maintenance of trusts; (3) implementation of data verification related to beneficial owners; (4) adopting international standards for beneficial ownership information to facilitate the sharing and interoperability of data between countries, such as the Beneficial Ownership Data Standard; (5) a commitment to introduce additional transparency requirements for state-owned enterprises (SOEs) including beneficial ownership disclosures involving Vast Quantities of Assets; (6) a robust definition of beneficial ownership, not limited to a threshold of 25% to define beneficial ownership; and (7) sanctions enforcement of Beneficial Ownership Registration for corporates failing in submitting correct information nor in providing updates related to beneficial owners.

3) Tackling Corruption in Energy Transition

The Indonesian G20 presidency has determined a sustainable energy transition as one of its priority issues to be discussed in the G20 Indonesia 2022 forum. With many countries transitioning towards renewable energy, it is crucial to discuss priorities regarding resource governance in accordance with international standards and practices that have been agreed upon in the High-Level Principles. The C20 ACWG recommends the G20: (1) incorporates best practice from the infrastructure and extractive sectors in the renewable energy sector; (2) strengthens existing anti-corruption efforts—including beneficial ownership transparency, disclosure of income and assets of government officials, and contract and permit transparency; (3) strengthens law enforcement in mineral mining and the renewable energy sector; (4) regulates lobbying activity to prevent infrastructure decision-making favoring a particular interest group or individual; (5) enforces a strong and credible sanctions regime, including public databases of companies banned from tenders; (6) ensures good governance in climate finance and projects to promote sustainable energy and support independent civil society monitoring



of energy projects; and (7) establishes effective and constructive feedback channels, open to stakeholders of all backgrounds, especially affected communities.

4) Open Contracting

The G20 2022-24 Anti-corruption Action Plan calls on the G20 governments to foster greater inclusivity, openness and fair competition in public procurement. The C20 ACWG recommends the G20: (1) strengthens the role of audit institutions to investigate and report corruption in procurement processes by mandating the use of open data and open data tools in government audit processes; (2) builds capacity of government auditors in using and adopting open contracting methodology and tools in government audit process; (3) increases public participation and education on anti-corruption issues; (4) strengthens open data infrastructure by opening data across the whole cycle process of procurement; (5) implements open contracting red flags methodology and develops relevant data tools; (6) encourages international financial institutions and multilateral development banks to support procurement transparency.

5) Transparency and Integrity of Corporations

The G20 High Level Principles encourage the private sector to establish and develop effective internal supervision to ensure strong corporate ethics standards as well as effective and efficient risk assessment on corporations to eradicate corruption. The C20 ACWG recommends G20 member states: (1) adhere to the OECD Anti-Bribery Convention and regulate private sector corruption—in line with UNCAC provisions; (2) ensures G20 members enact regulations that govern revolving doors—from the public sector to the private sector and vice versa; (3) encourages corporations to investigate, mitigate, and report corruption risk and corruption cases along all value chains; (4) bolsters information sharing in public-private partnership (PPP) to tackle financial crimes; (5) mandates Beneficial Ownership (BO) reporting for corporations to prevent corruption; as well as (6) ensures procurement transparency in the private sector.

Anti-corruption issues remain critical drivers of economic and political instability in G20 countries and beyond- it is imperative that the G20 take action on these issues now. The C20 encourages G20 member states to learn from each other's experience in eradicating corruption and ensure accountability in fulfilling previous commitments by following through on commitments and reporting on implementation . Throughout the process, civil society participation must also be ensured so that the process of fulfilling anti-corruption commitments is accountable and transparent to citizens everywhere. The anti-corruption issues promoted by the Indonesian Presidency of the G20 are critical to global stability and progress.