

2015-16 G20 Anti-Corruption Implementation Plan

G20 Leaders established the Anti-Corruption Working Group (ACWG) at the Toronto Summit in 2010 in recognition of the significant negative impact of corruption on economic growth, trade and development. At the end of 2014, corruption continues to represent a significant threat to global growth and financial stability. Corruption destroys public trust, undermines the rule of law, skews competition, impedes cross-border investment and trade, and distorts resource allocation. As a group of the world's largest economies, the G20 remains committed to reducing the incidence of corruption to build a global culture of intolerance towards corruption.

Since 2010, the work of the ACWG has been guided by two-year action plans that include commitments by G20 countries to ratify and implement the *United Nations Convention against Corruption*, criminalise and prosecute foreign bribery, and cooperate with other countries to investigate, prosecute and return the proceeds of corruption. The G20 renews its pledge to fully implement actions agreed in previous action plans.

Building on the *G20 High-Level Principles on Corruption and Growth*, we will ensure the G20 anti-corruption agenda directly supports the G20's core growth and resilience agenda, particularly by focussing on actions that enhance investment environments and support the G20 work on investment and infrastructure, tax, development and trade. To this end, the ACWG will continue to work with the OECD and World Bank to provide further policy guidance to the G20 in designing and implementing future anti-corruption measures. The ACWG will also work closely with other G20 work streams and working groups to achieve our shared goals.

G20 members commit to implementing the deliverables in this Action Plan before the end of 2016, recognising the need for the G20 to take concrete, practical action on corruption. The G20 commits to lead by example and hold itself accountable for its anti-corruption commitments, including by reporting annually to G20 leaders on progress made in meeting these commitments and publishing these reports. Recognising that governments cannot fight corruption on their own, members commit to working closely with the G20 engagement groups and international organisations to implement commitments in this Action Plan.

ACTION AREA		DELIVERABLE
1.	Beneficial ownership transparency What is the problem? Promoting greater transparency in the legal and beneficial ownership of legal persons and arrangements is a high priority in the global fight against corruption. Identification of beneficial owners is also an important "know your customer" principle which will help financial institutions and designated non-financial businesses and professions to monitor their customers' transactions. Despite significant international efforts and attention, legal persons and arrangements continue to be misused to hide or conceal criminal activity such as money laundering, tax evasion, and corruption. A 2011 study by the Stolen Assets Recovery Initiative reported that 150 of 213 grand corruption cases investigated worldwide involved the use of at	i. G20 countries will take concrete action and share in writing steps to be taken to implement the <i>G20 High-Level Principles on Beneficial Ownership Transparency</i> .
		ii. The ACWG will continue to work with the Financial Action Task Force (FATF), the World Bank and the OECD to support the implementation of the relevant FATF recommendations on beneficial ownership transparency, in line with the recent FATF <i>Guidance on Transparency and Beneficial Ownership</i> (adopted October 2014).
		iii. The ACWG will complete a study on current practices and standards for registration of legal persons and arrangements in G20 countries.

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<p>least one corporate vehicle to hide information about the beneficial owners, while the estimated proceeds of corruption in these cases was USD\$56.4 billion. The investigation of this illicit activity is seriously hampered by the inability of law enforcement, tax administrators and other relevant authorities to effectively identify the beneficial owner of the corporate vehicles being used to hide or conceal criminal activity. Particular challenges can arise in the investigation of serious and organized crimes where information is held offshore involving companies incorporated in one country but operating in another country.</p> <p>G20 value add: Promoting greater transparency in the legal and beneficial ownership of legal persons and arrangements is a high priority for the G20, as recognised by G20 Leaders’ commitment at St Petersburg in 2013 to lead by example in implementing FATF standards on beneficial ownership. In recent years, this important issue has attracted significant international momentum, including the development and adoption (TBC) in 2014 of the <i>G20 High-Level Principles on Beneficial Ownership Transparency</i>. G20 countries are now uniquely placed to build on this valuable work and provide international leadership on this issue by taking concrete action to implement the Principles.</p> <p>Links to the broader G20 agenda: The abuse of legal persons and arrangements undermines the broader efforts of the G20 in achieving its mission of protecting the global financial system and promoting growth. This is a critical issue for the ACWG and the broader G20 growth and development agendas, with strong links to G20 work on tax transparency in developed and developing countries, including tax havens.</p>	

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<p>2. Public sector transparency and integrity</p> <p>The ACWG recognises that promoting greater transparency and integrity in the public sector is essential to preventing the misuse or diversion of public funds, which can have a significant negative impact on economic growth and development. The G20 must continue to lead by example in this area by ensuring our government agencies, policies, and officials model international best practices for public transparency and integrity.</p> <p>The ACWG has identified open data, public procurement, whistleblower protections, immunities from prosecution, fiscal and budget transparency, and standards for public officials as issues affecting the public sector which merit particular attention in 2015-16.</p>	
<p>a. Open data</p> <p><i>What is the problem?</i> Open data initiatives play an important role in promoting public sector transparency and accountability, and can also have significant benefits for the private sector. In particular, open data helps businesses to assess risks and opportunities in different markets so they can make better investment decisions. Open data also gives citizens better visibility of the flow of public money across borders, and enhances public debate on the use of public money.</p> <p><i>G20 value add:</i> Building on open data initiatives developed in other fora, the G20 will lead by example in promoting and implementing international best practice on open data.</p> <p><i>Links to broader agenda:</i> Open data has important benefits for the wider G20 agenda, for example, with regard to investment by empowering the private sector to make better investments decisions.</p>	<p>i. The ACWG will prepare a G20 compendium of good practices and lessons learned on open data and its application in the fight against corruption.</p> <p>ii. The ACWG will prepare G20 Open Data Principles, including identifying areas or sectors where their application is particularly useful and taking into account different national legal frameworks.</p> <p>iii. G20 countries will complete self-assessments of their open data frameworks and initiatives, with reference to the G20 Open Data Principles, and consider next steps.</p>
<p>b. Procurement</p>	<p>i. The ACWG will develop G20 High-Level Principles on Public Procurement for</p>

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<p>What is the problem? Every year, government agencies in both developed and developing countries spend trillions of dollars on behalf of their citizens in public procurement. Due to the magnitude and nature of public procurement, the financial stakes involved and the close collaboration between public officials and businesses, public procurement can be exposed to significant bribery and corruption risks, which can have severe impacts on the public.</p> <p>G20 value add: Public procurement represents a significant share of G20 countries' economies and is a strategic tool used by governments to deliver public services of the highest quality and best value for money. The G20 has already undertaken important work on public procurement, including developing a <i>Compendium of Good Practices in Public Procurement</i>. The G20 now has the opportunity to build on this work and ensure effective implementation of transparency and integrity measures in public procurement, including by developing practical tools to support policy makers and procurement officials.</p> <p>Links to broader agenda: Robust and transparent public procurement systems play an important role in supporting the G20 investment and infrastructure agenda, including by ensuring public funds intended for vital infrastructure are not diverted to corrupt officials.</p>	<p>consideration.</p>
	<p>ii. The ACWG will prepare a practical toolkit for G20 governments on integrity in public procurement.</p>
	<p>iii. To support a better understanding of public procurement systems globally and to identify best practices, the ACWG will conduct analytical work on procurement practices, and consider next steps.</p>
<p>c. Whistleblower protections</p> <p>What is the problem? Whistleblowers play an important role in effectively detecting corrupt activities. Ensuring that employees in the public and private sectors are aware of available reporting channels, and feel confident to report suspicions without fear of retaliation, can significantly contribute to effectively combating corruption.</p> <p>G20 value add: The G20 has already recognised the significance of this issue by adopting the <i>G20 Guiding Principles for Legislation on</i></p>	<p>i. G20 countries will conduct a self-assessment of their whistleblowers protection frameworks in both the public and private sectors, with reference to the OECD <i>Study on G20 Whistleblower Protection Frameworks, Compendium of Best Practices and Guiding Principles for Legislation</i>, and consider next steps.</p>

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<p><i>the Protection of Whistleblowers.</i> The G20 now has the opportunity to build on this valuable work and ensure all G20 countries implement comprehensive and effective protections for whistleblowers in both the public and private sectors, ensuring G20 countries lead by example.</p> <p>Links to broader agenda: Facilitating the effective detection of bribery and other corruption offences helps to prevent the market distortions which are caused by these offences and which undermine efforts to achieve our G20 growth goals.</p>	
<p>d. Immunity from prosecution</p> <p>What is the problem? Providing immunities from prosecution undermines anti-corruption efforts, including the investigation of corruption allegations and sanctions against corrupt actors.</p> <p>G20 value add: G20 countries reaffirm their commitment to lead by example in ensuring existing immunities do not interfere with anti-corruption efforts.</p> <p>Links to broader agenda: Removing immunities from prosecution plays an important role in deterring the commission of bribery and other corruption offences and preventing the associated market distortions, which have a direct impact on the G20 growth agenda.</p>	<p>i. G20 countries will complete a survey describing their existing legal authorities and practices relating to immunities from prosecution for corruption offences.</p> <p>ii. Based on the results of the survey completed in 2015, G20 countries will consider what further domestic action is necessary, with the aim of ensuring that existing immunities do not interfere with anti-corruption efforts.</p>
<p>e. Fiscal and budget transparency</p> <p>What is the problem? Promoting greater budget transparency and fiscal openness plays an important role in anti-corruption efforts, including by deterring illicit diversions of public money by corrupt officials and promoting good governance.</p> <p>G20 value add: The G20 can build on existing work in this area, including by the OECD and IMF, and provide greater practical guidance to G20 member and non-member countries. In particular, G20 countries can work to leverage national budgeting systems to</p>	<p>i. The ACWG will complete an analytical report, based on relevant case studies and G20 country experiences, as well as existing international standards such as the OECD Best Practices in Budget Transparency and the IMF Code of Good Practices in Fiscal Transparency, in order to identify good practices on promoting fiscal and budget transparency in G20 countries.</p> <p>ii. Drawing on the good practices identified in the analytical work completed in 2015, G20 countries will complete a self-assessment of their budget/fiscal transparency measures, and identify and report on any further steps under consideration or implementation.</p>

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	<p>more directly and effectively support transparency and integrity goals.</p> <p>Links to broader agenda: Promoting greater budget transparency and fiscal openness has important links to the G20 resilience agenda, including by fostering greater public confidence in the stability and soundness of public finances.</p>	iii.	The ACWG will consider the work of the Global Initiative for Fiscal Transparency (GIFT) and explore next steps.
		iv.	The ACWG will develop a G20 practical toolkit on budget transparency.
	f. Standards for public officials	i.	G20 countries will continue to work on asset disclosure systems for public officials, taking into account the G20 Principles on Asset Disclosure.
		ii.	To complement ACWG work on asset disclosure, the ACWG will study countries' approaches to regulating conflict of interest and standards of conduct for public officials, and develop a compendium of best practices.
3.	<p>Bribery</p> <p>What is the problem? Bribery imposes a heavy price on both international business and society as a whole, with the annual cost of bribery estimated by the World Bank to be USD\$1 trillion. It distorts competition, deters investment, and increases the cost of goods and services, while also undermining good governance and the rule of law – all of which can severely hamper economic growth and development.</p> <p>G20 value add: Bribery in international business transactions is an issue of global concern which requires strong international cooperation and coordination. The G20 is well-placed to provide this international leadership, including by ensuring G20 countries lead by example in comprehensively criminalizing and effectively enforcing laws against bribery.</p> <p>Links to broader agenda: Combating bribery remains an important priority for the G20 growth agenda. Effective action to prevent, investigate and prosecute bribery will help to level the playing field for business and give the private sector the confidence it needs to invest in</p>	i.	G20 countries who have not yet done so will comprehensively and effectively criminalise domestic and foreign bribery and establish the liability of legal persons, which may be criminal, civil or administrative.
		ii.	G20 countries will continue to address identify and address gaps based on their 2014 self-assessments of their domestic and foreign bribery frameworks, and will provide annual updates to the ACWG on their progress as part of the annual ACWG Accountability Report questionnaire.
		iii.	All G20 countries who have not yet ratified the OECD Anti-Bribery Convention will actively participate in the OECD Working Group on Bribery with a view to exploring possible adherence to the OECD Anti-Bribery Convention.
		iv.	The ACWG will prepare a G20 toolkit on codes of conduct and disciplinary measures for public officials to assist in the fight against bribery and corruption.
		v.	The ACWG will examine the role played by intermediaries in facilitating corruption. This will include examining existing analytical work. The ACWG will also consider, as appropriate, possible follow up actions.

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<p>infrastructure and other growth-producing projects.</p>	<p>vi. The ACWG will consider the experiences of a range of reporting and monitoring mechanisms on bribery, and consider possible next steps.</p>
<p>4. International cooperation</p> <p><i>What is the problem?</i> In the globalized environment, and using increasingly sophisticated criminal methods, many corrupt persons seek to exploit international borders to avoid prosecution, or to hide or enjoy the proceeds of corruption. Effective international cooperation is essential to the successful investigation, prosecution and recovery of the proceeds of corruption.</p> <p><i>G20 value add:</i> G20 countries can lead by example in this area by ensuring we model global best practices for providing international cooperation in the investigation and prosecution of corruption offences. Mindful that G20 countries are home to many of the world's most significant financial centres, G20 countries have a particular responsibility to lead by example in recovering and returning the proceeds of corruption. G20 countries can also play an important role in ending impunity for corruption offences by working together to deny entry and safe haven to corrupt officials and those who corrupt them.</p> <p><i>Links to broader agenda:</i> International cooperation to investigate, prosecute and return the proceeds of corruption has important links to the G20 growth and development agenda. In particular, asset recovery plays an important role in helping to return the public resources diverted by corruption back to governments for re-investment in vital infrastructure and other growth-producing projects.</p>	<p>i. Building on work to develop the <i>G20 Guide to Asset Recovery</i>, the <i>G20 Asset Recovery Profiles</i>, and the <i>G20 High-Level Principles on Mutual Legal Assistance</i>, G20 countries will complete a self-assessment of the operation of their asset recovery regimes, including successes and challenges.</p> <p>ii. Based on the results of self-assessments completed in 2015, the ACWG will identify and share good practices and tools in asset recovery in G20 countries, and consider next steps.</p> <p>iii. Building on the results of the survey completed in 2014 by G20 countries, the ACWG will share good practices for promoting international cooperation in civil and administrative procedures related to corruption and consider next steps.</p> <p>iv. The ACWG will review the recommendations relating to international cooperation arising from the UNCAC Implementation Review Mechanism and other similar international review mechanisms, and discuss possible next steps for responding to implementation gaps and challenges.</p> <p>v. Building on the work of the G20 Denial of Entry Experts' Network, the ACWG will identify and share practices for the denial of entry to corrupt officials and those who corrupt them across all G20 jurisdictions, including criteria used for denial of entry and discussion of domestic frameworks, and consider next steps.</p> <p>vi. The ACWG will continue its cooperation with and support for the work of the FATF on anti-corruption and anti-money laundering, including by continuing the dialogue between the ACWG and FATF anti-corruption experts.</p>

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		vii. Building on the Asset Recovery Profiles and G20 Guides to Asset Recovery, the ACWG will develop a collective G20 agenda to promote effective asset recovery.
5.	<p>Preventing and combating corruption in high-risk areas</p> <p>The ACWG recognises that certain sectors are particularly vulnerable to some unique corruption risks and challenges. Effectively preventing and combating corruption in these sectors is essential to create an environment conducive to investment, and to ensure critical assets and resources are not diverted away from economic growth and development.</p> <p>The ACWG has identified the extractives industries, fisheries and primary forestry, construction and customs as high-risk areas which merit special attention by the G20 in 2015-16.</p>	
	<p>a. Customs</p> <p><i>What is the problem?</i> Customs administrations play an essential role in facilitating global trade, while also performing vital national security functions. Corruption within customs administrations can have extremely severe consequences for economic growth and development, including by diverting funds away from businesses and governments and ultimately disrupting the flow of trade by discouraging potential trading partners. Corruption within customs administrations can also facilitate organised crime, such as trafficking of drugs, weapons, and money laundering, which can seriously threaten international security.</p> <p><i>G20 value add:</i> Representing the major trading nations and nearly 75% of global trade, and following the agreement reached on trade facilitation in Bali, G20 countries commit to lead by example in preventing and combating corruption in our customs administrations.</p>	<p>i. The ACWG will complete a scoping study of best practices for promoting integrity in customs administrations in G20 countries.</p> <p>ii. G20 countries will complete a self-assessment of their customs administrations, based on international standards such as the World Customs Organisation’s Revised Integrity Development Guide.</p> <p>iii. Building on the results of the scoping study completed in 2015, G20 countries will identify next steps to combat corruption in their customs administrations.</p>

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<p>Links to broader agenda: Combating corruption within customs administrations has direct benefits for the G20 trade agenda, including by ensuring the benefits of trade are not diverted to corrupt officials and by helping to achieve a stable and predictable trading environment for businesses.</p>	
<p>b. Extractives</p> <p>What is the problem? The extractives industries are vulnerable to extremely high corruption risks. Significant risk factors include the very high “economic rents”, the role of government as the licensing “gatekeeper”, as well as the high economic importance of the extractives industries in many countries.</p> <p>G20 value add: Noting the commitment which G20 Leaders made in St Petersburg and mindful of the fact that the G20 accounted for 64% of global GDP from oil, gas and mining in 2010, the ACWG recognises that the G20 has a responsibility to lead by example in the fight against corruption in the extractives industries. In particular, the G20 has the opportunity to consider practical action that can be taken to mitigate corruption risks in the extractives sector.</p> <p>Links to broader agenda: Minimising and mitigating risk factors in the extractives sector will help to combat corruption in the extractives sector and maximize the economic growth generated by this important sector, which in turn will help countries to meet their G20 growth goals.</p>	<p>i. Building on valuable work currently underway in the ACWG on best practices and lessons learned from G20 experiences, and in partnership with the B20 and C20, the ACWG will develop best practices to identify and address risks of corrupt payments in the extractive industries, and consider next steps, including the possibility of developing high-level principles for corruption mitigation in the extractives sector.</p>
<p>c. Fisheries and Primary Forestry</p>	<p>i. The ACWG will complete a survey study of the role of corruption in the exploitation, management and trade of fisheries and primary forestry and</p>

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<p>What is the problem? Corruption in the exploitation, management and trade of fisheries and primary forestry, is a serious problem that can disrupt whole economies and ecosystems, and undermines food security objectives. Whilst hard to quantify, international environmental crime, which includes corruption, in renewable natural resources costs the global economy between USD 30-70 billion per year (OECD, 2012).</p> <p>G20 value add: All countries – both G20 and non-G20 members – have an interest in reducing corruption in this area to ensure the continuation of adequate supplies of fisheries and primary forestry resources. The G20 has the potential to provide international leadership on this important issue, including by developing and modeling international best practices for both the public and private sectors.</p> <p>Links to broader agenda: Corruption in the fisheries and primary forestry sector has significant flow-on effects for the G20 growth and development agenda. In addition to its direct economic costs, such as lost revenue and misallocation of public resources, corruption in this sector can also result in significant health, safety, and public governance risks – all of which can have severe long-term effects on economic growth and development.</p>	<p>associated risks, and consider next steps, including how the G20 could add value in combating corruption in this area.</p> <p>ii. Working with the B20 and C20, the ACWG will consider and promote anti-corruption initiatives within the fisheries and primary forestry sector.</p>
<p>d. Construction</p> <p>What is the problem? The construction sector plays a vital role in supporting G20 goals on economic growth, investment and</p>	<p>i. The ACWG will review existing initiatives aimed at promoting transparency and integrity in the construction sector, and consider next steps, including how the G20 can add value in this area.</p>

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<p>infrastructure. At the same time, the economic scale and magnitude of public infrastructure projects make this sector particularly vulnerable to corruption risks.</p> <p>G20 value add: The G20 has the potential to champion greater transparency and integrity in the construction sector, including by building on existing initiatives and leading by example in modeling international best practice.</p> <p>Links to broader agenda: Greater transparency and integrity in the construction sector will help to support G20 growth and infrastructure goals, including by removing barriers to private sector investment in infrastructure projects and helping to close the infrastructure gap.</p>	
<p>6. Private sector transparency and integrity</p> <p>What is the problem? G20 countries must continue to work closely with business to reduce corruption. For business, entering new markets or routine cross-border business dealings can be fraught with regulatory and compliance risk, and many well-intentioned companies struggle to comply with the volume of regulation and complexity across and within jurisdictions.</p> <p>G20 value add: The G20 recognises that governments cannot fight corruption alone and the private sector is an essential partner in helping us to achieve our anti-corruption goals. The G20 will cooperate with the B20 to provide help to business to tackle corruption, and to ensure laws and regulations promote clean business. The G20 can also help to ensure that the interests of business, government and the rule of law are aligned.</p> <p>Links to the broader agenda: The private sector plays a critical role in</p>	<ul style="list-style-type: none"> i. The ACWG will promote the implementation by business of existing guidelines for combatting corruption by the private sector, including the Anti-Corruption Ethics and Compliance Handbook for Business developed at the request of the G20, and the UNODC’s ‘An Anti-Corruption Ethics and Compliance Programme for Business: A Practical Guide’ . In partnership with the B20 and other G20 engagement groups, G20 countries will also assess what other steps could be taken to provide guidance to the private sector on anti-corruption. ii. In partnership with the B20, the ACWG will identify and share practices for providing incentives for businesses to self-report breaches of corruption laws in G20 countries. iii. The ACWG will work with the B20 to develop an anti-corruption education toolkit for SMEs in G20 countries. iv. The ACWG will consider the role of the financial sector in preventing and detecting the inflows of corrupt funds, and will hold a workshop with the

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<p>helping the G20 to achieve its goals, including on growth, investment, infrastructure, and development. Working with business to reduce the incidence of corruption will help to unlock private sector investment by reducing market distortions and ensuring greater financial stability.</p>	<p>financial sector to support efforts in this regard.</p> <p>v. The ACWG will work with the B20 and the C20 to encourage business to adopt and implement anti-corruption measures and appropriate codes of conduct, including effective supply chain integrity programs, with reference to existing resources such as the OECD Guidelines for Multinational Enterprises and Good Practice Guidance on Internal Controls, Ethics and Compliance and UNODC’s ‘An Anti-Corruption Ethics and Compliance Programme for Business: A Practical Guide’.</p>