

24 February 2017

Subject: Voting recommendations on AMLD4 revision – prevent new Panama Papers type scandals by ending secrecy of shell companies and trusts

Dear Member of European Parliament,

We are writing to you concerning the European Commission's legislative proposal from July 2016 to amend the fourth Anti-Money Laundering Directive, due to be voted on Tuesday 28 February in the ECON and LIBE Committees.

Following our [letter](#) sent earlier this month, please find with this text specific voting recommendations which we urge you to take into account when voting on this final report in Committee. We believe that the European Parliament's current compromise positions on enhancing beneficial ownership transparency are a welcome basis for improving the European Commission's legislative proposal. In particular, we believe that the Panama Papers demonstrate the need for public registers of beneficial ownership for all companies and all types of trusts, including non-commercial trusts. We urge your support for the following compromise positions:

- Please support **Compromise B** which ensures that **senior managers shall not be identified as a beneficial owner**, unless they meet the criteria of a beneficial owner
- Please support **Compromise C** which ensures that **all the beneficial owners of a trust will be properly identified**
- Please support **Compromise H** which includes **measures to enhance the accuracy of beneficial ownership registers**
- Please support **Compromise K** which establishes **public access to beneficial ownership registers for companies** and ensures that exemptions from public reporting requirements are granted only in exceptional circumstances.
- Please support **Compromise L** which requires **all types of trusts, including non-commercial trusts, to be subject to public beneficial ownership requirements**, and extends this requirement to any trust with a connection point to the European Union

However, we believe that your support is needed on these additional amendments to be voted on separately during the vote next week. These additional amendments are necessary in order to make the European Parliament's text even stronger, and to put an end to the types of abuses revealed by the Panama Papers and the Bahama leaks:

- Please vote in favour of **AMs 146, 147, 148, 153, 154, DEVE 7** which call for a lower beneficial ownership threshold. The European Commission's ownership threshold of 25% can be easily exploited by people looking to stay under the radar, **lowering the beneficial ownership threshold would make it more difficult to appoint a few trusted individuals as shareholders.**
- Please vote in favour of **AM 217** which would require obliged entities to **terminate their business relationship with customers who cannot identify their true owners**, or where there are reasonable doubts about whether the identified person that is identified is the beneficial owner or not.

- Please vote in favour of **AM 290** which would **extend beneficial ownership requirements to firms with significant business ties to the European Union**. By requiring non-EU firms with formal business ties to the EU to disclose BO information, the EU would have much stronger safeguards against the abuses of offshore companies.

Should these amendments pass, the corrupt would have a significantly harder time to set up opaque company and/or trust structures which can be abused for the purposes of money laundering or tax evasion.

We remain at your disposal if you would like to receive more information or if you would like to meet in person in order to discuss this issue further.

Yours sincerely,

11.11.11
 Access Info Europe
 Africa Centre for Open Governance
 Associacao Sindical Dos Profissionais Da
 Inspeccao Tributaria E Aduaneira
 Attac Ireland
 Bloom
 CNCD-11.11.11
 Ekvilib Institute
 European Network on Debt and Development
 Financial Transparency Coalition
 Focus
 Forum Syd
 Friends of the Earth Hungary
 Funky Citizens
 Global Witness
 Glopolis
 Gong
 Institute for Development of Freedom of
 Information
 Institute of Global Responsibility

Kairos Europe
 Kepa
 Latvian Platform for Development
 Cooperation
 Methodist Tax Justice Network
 ONE
 Open Corporates
 Open Ownership
 Oxfam
 Pro Ethical Trade Finland
 Sherpa
 Tax Justice Network
 The Advocacy Academy of Timisoara
 The Romanian Professional Lobby Association
 Transparency International EU
 Transparency International France
 Transparency International Latvia
 Transparency International Slovenia
 UNCAC Coalition
 Water Governance Institute
 Weed





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The Global Beneficial Ownership Register

