

# International Anti-Corruption Conference 2018 in Copenhagen

## National anti-corruption statement

### (Country Statement: Ireland)

#### 1. Preamble: The present state of the fight against corruption in (country)

Corruption can be a major challenge to economic development and social stability. Long term, systemic and comprehensive anti-corruption efforts both at national and at international level are essential. Corruption affects all countries, but its effects are particularly pernicious in developing states. Corruption undermines democratic institutions, stunts economic growth and subverts the rule of law. Since the 2016 IACC London summit, the Irish Government has made considerable progress on its cross-Departmental anti-corruption efforts, based on three key pillars as follows:

#### **1. Expose Corruption**

#### **2. Punish the corrupt and support those who have suffered from corruption**

#### **3. Driving out the Culture of Corruption wherever it may exist**

These 3 pillars provide a clear and coherent platform for the Irish Government to fight corruption within the State, and through its international obligations and partnerships. Ireland's obligations to international agreements include the Council of Europe's Group of States against Corruption (GRECO), the United Nations Convention against Corruption (UNCAC), and the OECD Convention on Combating Bribery of Public Officials in International Business Transactions. As a party to these agreements, Ireland has undergone numerous evaluations and remains subject to peer reviews under the mechanisms associated with these important standards.

Consequent to the 'banking crisis', a review was undertaken of corporate governance structures and white-collar crime in Ireland. Arising from this review, in October 2017 the Government approved the publication of a report entitled: "Measures to enhance Ireland's Corporate, Economic, and Regulatory Framework: Ireland, Combatting "White Collar Crime"". This report sets out a package of measures to enhance the framework in place to tackle corporate, economic and regulatory offences. A number of these measures are aimed at Countering Money Laundering and Corruption.

One of Ireland's major achievements in the fight against corruption has been the passing of the Criminal Justice Act (2018). While the responsibility to develop and implement anti-corruption policies is the responsibility of multiple agencies, and no one single agency, this Act has gone a long way to consolidating Ireland's anti-corruption legislation. Amongst other provisions, it criminalises the use of intermediaries to facilitate bribery, and clarifies the liability of corporate bodies for bribery offences. Provision is also made for the forfeiture of office, position or employment by an Irish official following conviction or indictment for certain corruption offences under this Act.

Furthermore in 2016, Ireland enacted new legislation through the Proceeds of Crime Act 2016 which provides additional powers for the Irish police service (An Garda Síochána); in particular, allowing in certain circumstances, for the immediate seizure of assets suspected of being the

proceeds of crime to prevent them being disposed of. These new provisions have been of significant assistance in the seizure of such assets. In the same period and in preparation for gathering beneficial ownership information on corporates into a central database, Ireland created a legal obligation for all corporate entities to obtain and maintain in their company records information on their beneficial owners.

Ireland is an active member of the Financial Action Task Force (FATF), the global standard setting body for Anti-Money Laundering policies and approaches. The most recent FATF Mutual Evaluation of Ireland found that Ireland has a sound and substantially effective regime to tackle money laundering and terrorist financing, with a number of measures in place to prevent illicit financial flows, with strong controls and processes, including Customer Due Diligence (CDD) and transaction monitoring. Coordination, cooperation and the use of financial intelligence are strong points of the Irish Anti-Money Laundering and Counter Terrorist Financing (AML/CFT) framework. Ireland also has a strong legislative framework in place for pursuing money laundering, set out in the Criminal Justice Act 2018. Other aspects, including those relating to the beneficial ownership registers, will be transposed by separate legislation, and it is expected that this legislation will be finalized no later than the aforementioned Bill.

With regards to tax transparency, in 2017 Ireland was again awarded the highest international rating on tax transparency and exchange of information by the OECD's Global Forum on Tax Transparency and Exchange of Information. Ireland is one of only 22 jurisdictions to have this top rating and it is recognition of Ireland's efforts towards addressing the very real challenges in the field of international taxation. Additionally Ireland was also among the first countries in the world to implement country by country reporting to tax authorities in our domestic law. The first reports were filed with the Revenue Commissioners in 2017 and will be shared with tax authorities worldwide in 2018.

In addition to commitments of support to financial accountability institutions in our key partner countries, the Government of Ireland's official development cooperation programme (known as Irish Aid) supports international organizations, such as the African Tax Administration Forum and OECD Tax for Development, which seek to address the tax administrations in the developing world. ATAF and OECD Tax for Development carry out audits and provide assistance to revenue and finance ministries through institutional and technical level supports. Consistent with Ireland's commitment to accountability and addressing corruption, Ireland has supported Transparency International (TI) since 2007. Our current funding plan, provides core support to the Secretariat to implement their 2016-2020 Strategic Plan.

In recognition of the growing evidence of what works in supporting the fight against corruption, Ireland also provides funding for the International Organisation of Supreme Audit Institutions (INTOSAI). INTOSAI works to strengthen the capacity of key institutions and actors in Irish Aid Partner Countries to monitor the use of public funds, and identify and intervene in cases of misuse of funds.

## 2. Statement of anti-corruption commitments

Ireland will continue to engage with all the institutions it works with in the fight against corruption, and will promote a culture of zero tolerance for all corrupt practices. Ireland is strengthening its

procedures to help developing countries to recover the proceeds of corruption and will combat bribery, in line with obligations under international agreements.

Ireland is proud to reflect on the significant progress that has been made, particularly in recent years, and while Ireland remains focused on the implementation of all existing commitments, there remain a number of priority areas in which Ireland is particularly focused to advance the fight against corruption. Ireland remains fully committed to exposing those involved in corruption and Ireland has established a central register of beneficial ownership information for all companies and is committed to exploring the feasibility of making such a register public.

In light of our fully compliant rating on tax transparency (Ref. Global Forum on Tax Transparency), Ireland is likely to continue to be an early adopter of automatic information exchange standards where such exchange promotes transparency. However it makes sense for larger economies to take the lead on such work and once commenced, Ireland will constructively engage with any invitations to join the pilot scheme. Ireland's future engagement will be aligned with our commitments as a FATF member and our obligations under EU law. Ireland also remains committed to exploring the deployment of public-private information sharing partnerships to bring together government, law enforcement, regulators and the financial sector to aid in the detection, prevention and disruption of money laundering including money laundering linked to corruption. Ireland has previously deployed such a partnership in the area of Anti-Money Laundering and Counter Terrorist Financing.

Work remains ongoing on the Public Sector Standards Bill 2015, which will make significant changes to the ethics regime for public workers. The Bill aims to significantly enhance the existing framework for identifying, disclosing and managing conflicts of interest and minimising corruption risks, to achieve a shift towards a more dynamic and risk-based system of compliance and to ensure that the institutional framework for oversight, investigation and enforcement is robust and effective.

Furthermore, Ireland has recently undergone a review of its implementation of Chapters II and V of the UN Convention Against Corruption (UNCAC). The Department of Justice and Equality took the lead in coordinating Ireland's response to this review. The Secretariat should have a draft executive report available by this month. If feasible, Ireland is committed to implementing all such UNCAC recommendations to ensure full compliance with the Convention.

As part of our international development cooperation assistance, and through our National plan on Business and Human Rights (2017-2020), Ireland will commit to build awareness amongst Irish companies of international agreements and initiatives which promote ethical business practices, such as the OECD Convention on Combating Bribery, the UN Guiding Principles on Business and Human Rights, and the Extractive Industries Transparency Initiative. Moreover, and as part of our national response to the Sustainable Development goals (SDGs), Ireland is committed to developing a whole of government approach to issues such as taxation, illicit financial flows and domestic resource mobilisation, promoting Ireland's position at EU, OECD and other international fora. This will be overseen through our national SDG national implementation plan and the voluntary national reporting (VNR) process.

Finally, and arising from the report on Corporate, Economic and Regulatory Frameworks (2017), the Irish Government has established a national review of anti-corruption and anti-fraud

structures to ensure that all state bodies with a role in the prevention, detection, investigation and prosecution of fraud and corruption are working effectively together and to identify any gaps or deficits which exist. Eleven relevant bodies including Government Departments and Offices will participate in this review. A former Director of Public Prosecutions will chair the review, which is scheduled to publish its report by July 2019.