

**International Anti-Corruption
Conference (IACC)
22-24.10. 2018 in Copenhagen
Anti-corruption statement by Norway**



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#18IACC



**INTERNATIONAL
ANTI-CORRUPTION
CONFERENCE**



**MINISTRY OF
FOREIGN AFFAIRS
OF DENMARK**
Danida

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The 2030 Agenda and the Addis Ababa Action Agenda

- Corruption, tax evasion and illicit financial flows run counter to **domestic resource mobilisation** for the attainment of the UN Sustainable Development Goals – our joint, ambitious and comprehensive 2030 Agenda.
- **Sustainable Development Goals 16 and 17** include targets on fighting corruption, bribery and illicit financial flows, strengthening the recovery and return of stolen assets, combating all forms of organised crime, improving domestic tax systems, promoting the rule of law, developing effective, accountable and transparent institutions, and enhancing the global partnership for development.
- Addressing **corruption** combined with improving **tax systems** and implementing effective measures to deal with **illicit financial flows** and **money laundering** will generate additional resources for sustainable economic, social and political development, cf. the Addis Ababa Action Agenda on Financing for Development.
- At the same time, the **mindset** of individuals is a key factor. Beyond the conventions, legal instruments and institutions, this is about integrity, trust, inclusion, equality, and dignity for all.

Zero tolerance for corruption

- The Norwegian Government practises **zero tolerance** towards corruption. This is stated clearly in official documents and reflected in our domestic and international anti-corruption efforts.

Government platform

- **The Government's political platform** sets out that we will promote international cooperation to fight illegal capital flows, tax evasion and corruption. The Government will support international cooperation on ensuring transparent capital flows between countries and enhancing taxation of global companies.

Good governance and trust

- **Good governance** played a major role in Norway's transition from relative poverty to today's ranking at the top of international indexes for human development and democracy. **Anti-corruption and gender equality** are major factors in this transition.

- **Trust** is at the core of the Norwegian model – trust in the equality, inclusiveness, fairness and integrity of the system; and trust in the people who are elected or appointed to be in charge. Trust must be well rooted in society and carefully nurtured, but first of all it must be deserved.
- People's **trust** in the social, economic and political system can easily be **undermined by corruption** in all its manifestations: bribery, theft, nepotism, favouritism, organised crime, money laundering, tax evasion, illicit financial flows, misuse, waste and abuse.
- **Good governance increases trust**, enhances domestic resource mobilisation for inclusive growth, and helps to create an attractive investment framework and ensure decent service delivery. Corruption does the opposite.
- Good governance based on **integrity, inclusion, equality, transparency and accountability** must be protected and promoted in order to withstand the destructive forces of corruption.

Rule of law

- The **Norwegian Constitution** protects fundamental rights and plays a key role in ensuring the rule of law. The principles of legality, non-discrimination and equality before the law, as well as the right of access to an independent court are explicitly protected under the Constitution.
- **Democracy** and respect for **human rights** and the **rule of law** require that the rights and privileges of all citizens are protected.
- The **Freedom of Information Act** is a cornerstone of Norwegian public law. The purpose of the act is to facilitate and promote openness and transparency. It ensures the right to access information from the public administration and, to some extent, from private businesses. Since 2016, access to information has been strengthened by a digital platform that makes it easier for the public to follow the decision-making process in the public sector as a whole. An amendment to the Act in 2017 also makes it easier to re-use public sector information. The Freedom of Information Act is an important instrument in our efforts to prevent corruption, strengthen freedom of information and speech, and promote democratic participation and trust in the public sector.
- The **Public Administration Act** regulates the activities of the public administration.
- Norway is strongly committed to **preventing, detecting and prosecuting corruption in the private and the public sector**. ØKOKRIM (the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime) plays a key role in the fight against corruption in Norway.

- Norway's **Penal Code** provides for extraterritorial jurisdiction in cases of corruption. Norwegian companies, organisations and individuals suspected of corruption abroad can be prosecuted under the Penal Code. In short, we expect the same high standards of our citizens abroad as we demand at home.

Norms and conventions

- Norway is committed to the effective implementation of international standards on anti-corruption, including the **conventions and the review mechanisms** under UNODC, the OECD and the Council of Europe. Peer reviews help us see where we stand and what gaps need to be addressed.
- The **United Nations Convention against Corruption (UNCAC)** is the only comprehensive and global legally binding instrument in the fight against corruption. It deals with all aspects of corruption and is the primary instrument for efforts to achieve SDG target 16.5 (on reducing corruption).
- Norway commends the comprehensive normative and monitoring work done by the **OECD** to promote integrity in the public and private sectors, prevent private capture of public policy, and fight bribery and corruption.
- All countries are urged to effectively **implement international standards** against corruption. Technical assistance may be needed.

Large-scale corruption

- It is essential to prevent, detect and prosecute **small-scale corruption as well as large-scale corruption** at local, national and international levels. Large-scale corruption typically involves people in high positions and a substantial proportion of a state's resources. It undermines political stability and often extends across several jurisdictions.
- In 2017, Norway spearheaded a **United Nations resolution** on preventing and countering corruption involving vast quantities of assets. It was adopted by consensus. Norway is working with UNODC and other interested countries to follow up this milestone resolution.

Politically exposed persons

- Of particular interest in the fight against corruption are the proposed updates in the regulation on **politically exposed persons**, so-called 'PEPs'. This includes a broadening of the definition of who PEPs are, in line with international developments in the Financial Action Task Force (FATF) and the EU.

Tax

- **Tax evasion** undermines trust and reduces domestic resource mobilisation. Transparency is crucial. Networks for automatic sharing of tax information are of importance in efforts to fight corruption.
- Aggressive **tax planning** may not be illegal, but it artificially separates profits from value creation and reduces public revenues.
- The development of the ambitious OECD/G20 Action Plan on **Base Erosion and Profit Shifting (BEPS)** demonstrates that joint political efforts can significantly improve international tax cooperation when there is sufficient determination to do so.
- In connection with the upcoming evaluation of the international standard for automatic exchange of country-by-country reports for tax purposes, Norway is considering the possibility of introducing a global commitment for public country-by-country reporting for **large multinational enterprises**.
- Norway supports the outcomes of the OECD BEPS project and urges countries to implement the internationally agreed measures through the **Inclusive Framework on BEPS**.
- Norway has **agreements in place** with approximately 150 jurisdictions under which tax authorities share information on beneficial ownership for tax purposes. In addition, beneficial ownership information relating to financial accounts maintained by Norwegian financial institutions is shared with tax administrations on an annual basis in line with the OECD Common Reporting Standard.
- Norway will continue to support and promote **the OECD Common Reporting Standard (CRS) initiative** for the automatic exchange of information on bank accounts between tax authorities.

Beneficial owners

- Serious **organised crime** and grand corruption can go undetected when the proceeds are laundered through complex business structures that hide the ultimate beneficial owners.
- A bill on the establishment of a central **Beneficial Ownership Register** was submitted to the Storting (Norwegian parliament) in June this year. The bill proposes that law enforcement agencies should have effective access to the information in the register, and that this information should also be made public. More detailed provisions will be prepared in due course, depending on the outcome of the Storting's debate on this new legislation.
- Norway supports the work of the **Extractive Industries Transparency Initiative (EITI)** both as a donor and as an implementing country. We welcome the reporting of companies' payments to governments under this initiative. We

welcome the 2016 EITI Standard, in particular the requirements regarding beneficial ownership.

Procurement

- Norway has implemented the main principles of the **Open Contracting Data Standard (OCDS)** in its public procurement legislation, which is based on EU rules, and through the establishment of the national public procurement database (Doffin). Full implementation of the OCDS data model will be considered in connection with the development of the next generation of the Doffin.
- Norway has implemented parts of the **Open Data Charter (ODC)** in its new guidelines.
- Norway intends to establish a **digital infrastructure** for sharing information about companies bidding for public contracts. The Government will consider whether this database should be expanded to include criminal records and information on corrupt bidders. This question raises both legal and practical/technical concerns.

Money laundering

- Norway remains committed to the fight against **money laundering** in order to stop the proceeds of crime, including proceeds from corruption, from entering the legal economy.
- As a member of the **Financial Action Task Force (FATF)**, Norway has played an active role in developing and improving international rules to combat money laundering and terrorist financing.
- In 2017, the Government launched a new **strategy for combatting money laundering and terrorist financing**. This has led to the establishment of a network of representatives from relevant government agencies and law enforcement agencies to ensure a more coordinated strategic effort in this field. The private sector participates in the network as an observer. The strategy also calls for closer cooperation between the relevant public agencies and the private sector in order to share knowledge and experience.
- The new **Anti-Money-Laundering Act** was adopted in June 2018. It will enter into force in the autumn of 2018.

Safe havens

- Jurisdictions that provide safe havens for the corrupt and the resources obtained from illegal activities are supporting serious crimes. Reducing illicit financial flows is crucial for the fight against all profit-motivated crime. The responsibility is shared by countries of origin, transit and destination alike.

Asset recovery

- Norway's Penal Code sets out strong provisions on asset recovery. Norway is also considering introducing new legislation on civil asset forfeiture to supplement the provisions in the Penal Code.
- Norway is committed to **international cooperation** to enable more effective confiscation of the proceeds of crime, for example through the OECD and UNODC. This includes the development of internationally endorsed guidelines for the management of returned stolen assets.

Prosecutors, investigators, media, civil society

- **Independent and well-resourced public institutions** mandated to prevent, detect, investigate and prosecute corruption cases are crucial if we are to eradicate corruption. These institutions must be able to do their work without undue interference, and they need our support and protection to ensure that this is the case.
- Norway strongly supports **free media, investigative journalism, access to information and a vibrant civil society**.

Technical assistance, anti-corruption as a cross-cutting issue, zero tolerance

- Norway offers **technical cooperation** on the responsible management of petroleum and fish resources, and on taxation, statistics, clean energy, gender equality, and higher education and research. Good governance and anti-corruption are integral parts of these efforts.
- Norway is well on track to fulfilling **the Addis Tax Initiative** pledge of doubling tax-related development assistance by 2020. In addition, we are working constructively in the relevant multilateral arenas to ensure coherent policies that support domestic resource mobilisation in developing countries.
- The Tax for Development programme and other relevant programmes are included in the **Knowledge Bank**, which was established in March 2018. The Knowledge Bank coordinates and strengthens technical cooperation and knowledge-sharing in areas where Norway has particular expertise. The objective of the Knowledge Bank is to assist in building capacity and competence in public institutions in Norway's partner countries, at the request of the countries concerned.
- Norway provides **financial support** to **UNODC** with the aim of accelerating the implementation of the Convention against Corruption (UNCAC). These efforts include technical assistance to ODA-eligible countries, asset recovery (under the **Stolen Asset Recovery Initiative**) and the follow up of resolution 7/2 on corruption involving vast quantities of assets, which was approved at the 7th Conference of the States Parties to the UNCAC in 2017.

- Norway is in the process of entering into agreements on support for the important work carried out by the International Centre for Asset Recovery (**ICAR**) and the **UNCAC Coalition**, an umbrella network of more than 100 civil society and academic groups and organisations.
- Norway, together with other donors, has supported the development and operation of the **U4 Anti-corruption Resource Centre** for many years. U4's products are available as a global good.
- For 12 years, Norway has headed the **Corruption Hunters Network**, which consists of prosecutors, investigators and engaged individuals with a proven record in anti-corruption. We will continue to support this network, with a view to facilitating the exchange of knowledge and experience across borders.
- Norway's grant management system requires that anti-corruption is included **as a cross-cutting issue** throughout the project/programme cycle. The risk of corruption affecting the project/programme itself and the risk of the project/programme causing or increasing corruption in the broader context must be assessed.

Good governance, transparency and anti-corruption are important issues in our dialogue and cooperation with **multilateral organisations**. For example:

- We seek to ensure strong anti-corruption requirements in agreements, including agreements on trust funds.
- We have developed guidelines for assessing the quality of the oversight system in relation to financial irregularities in multilateral organisations.
- We actively promote anti-corruption in governing bodies, replenishment negotiations and in annual meetings.

- Norway is committed to the **OECD 2016 Recommendation** of the Council for Development Cooperation Actors on Managing the Risk of Corruption:
 1. Ethical guidelines are in place.
 2. Anti-corruption assistance/advisory services are available.
 3. Training and awareness-raising in the field of anti-corruption is offered (courses, e-learning).
 4. Oversight, grant management reviews, and investigations are carried out.
 5. Assessment and management of corruption risks are required.
 6. Provisions on preventing, detecting, reporting and dealing with corruption are included in ODA agreements/contracts, including /agreements/contracts with multilateral organisations.
 7. A reporting/whistle-blowing mechanism has been established.
 8. Sanctions such as withholding disbursement, requiring repayment, and terminating an agreement are carried out when necessary.
 9. Efforts are made to promote joint responses to corruption.
 10. Risks posed by the broader context of projects and programmes are taken into consideration. Risk assessment and mitigation measures are mandatory, and are expected to influence the choice of control measures in projects and programmes.

- The **Foreign Service Control Unit** handles all cases involving suspicion of irregularities that affect resources from the Ministry's budget, in accordance with our zero tolerance policy.