SESSION REPORT

Please know you may design the structure of this report to better suit the session. It's important to capture the key outcomes and solutions proposed for the future.

Session Title: How to Turn the Tide of a Turbocharged Race against Corruption and Impunity?
Date: 21 June 2024
Time: 03:30 PM - 057:00 PM (GMT +3)

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Panellists:

- Name and Surname **Ingrid VERSCHUREN**
  Position **Executive vice president of data and AI and general manager for EMEA**
  Organisation **Dow Jones, DT4C Alliance**

- Name and Surname **Roland PAPP**
  Position **Senior Policy Officer - Illicit Financial Flows**
  Organisation **Transparency International EU**

- Name and Surname **Petras GOUTATAS**
  Position **Director & Head of AML**
  Organisation **Urbo Bankas**

- Name and Surname **Greta Barkauskienė**
  Position **Expert**
  Organisation **Lithuanian AML Centre of Excellence**

Share the thematic focus of the session, its purpose and corruption risks?

The *"How to Turn the Tide of a Turbocharged Race against Corruption and Impunity?"* panel event at the International Anti-Corruption Conference brought together experts from various sectors to discuss the crucial role of data and technology companies in combating financial crime, particularly focusing on anti-money laundering (AML) efforts.

The session aimed to highlight the importance of beneficial ownership registers, the role of data and technology in AML compliance, and the necessity of effective cooperation between the public and private sectors. The underlying corruption risks addressed included the identification of politically exposed persons (PEPs) and high-risk individuals, the accuracy and reliability of automated IT systems in AML processes, and the challenges posed by legal and geopolitical restrictions on data access.

Summary of panellists' contributions & discussion points (please be as detailed as possible)

Ingrid Verschuren (Dow Jones Risk & Compliance, DT4C Alliance):
- **Role of data & technology companies:** Emphasised the pivotal role data and technology companies play in supporting financial institutions. They provide crucial information for identifying PEPs and high-risk individuals and develop comprehensive databases for screening clients and monitoring transactions.
- **Data-driven solutions:** Highlighted AI-driven solutions that match media data with client information to identify risk patterns, citing the Siemens scandal as an example where public figures in state-owned enterprises were identified using such technologies.

Petras Gotautas (Urbo Bankas):
- **Challenges in AML compliance for banks:** Discussed the reliance on automated IT systems for onboarding, risk assessment, and monitoring transactions. Stressed the importance of accurate data input and the necessity of manual investigations when automated systems flag potential suspicious transactions.
- **Volume and complexity of transactions:** Pointed out the challenges financial institutions face in distinguishing between legitimate and suspicious transactions due to their sheer volume and complexity, highlighting the need for data sources and automated screening tools.

Roland Papp (Transparency International EU):
- **Importance of Beneficial Ownership (BO) registers:** Stressed the need for accessible and high-quality BO data, pointing out systemic problems in AML frameworks like the lack of natural person connections, which hampers effective AML efforts.
- **Legal and geopolitical challenges:** Discussed the impact of recent legal decisions, such as the 2022 EU judgment on privacy grounds restricting access to BO registers, and geopolitical challenges like data access restrictions in China and Russia.

Greta Barkauskienė (Lithuanian AML Centre of Excellence):
- **Effective cooperation between sectors:** Highlighted the importance of public-private sector cooperation, emphasising platforms for information sharing and collaboration.
- **Educational initiatives:** Underscored the need for educational programs and strengthening the community of AML professionals to maintain high standards of AML compliance and foster a culture of cooperation and knowledge sharing.

Main outcomes of the session (include quotes/highlights and interesting questions from the floor)

The panel underscored the integral role of data and technology companies in the fight against financial crime. Key outcomes included:

- **Importance of Beneficial Ownership registers:** Emphasised by Roland Papp, noting their crucial role in transparency and identifying true owners behind complex corporate structures.
- **Data & Technology in AML compliance:** Ingrid Verschuren highlighted AI-driven solutions and the balance between technological capabilities and human judgment in AML strategies.
- **Cooperation and education:** Greta Barkauskienė stressed the need for organised, shared activities and educational initiatives to enhance AML efforts.
- **Challenges and recommendations:** Petras Gotautas discussed the reliance on accurate data input for automated systems and the necessity of manual investigations for flagged transactions.

Key recommendations for the future and concrete follow-up actions

- **Stronger supervision and criminal penalties** to deter financial crime effectively.
- **Public accessibility of BO data:** Advocated for making BO data publicly accessible to enhance reliability and usefulness in AML efforts, simplifying access for AML service providers, journalists, NGOs, and researchers.
- **Educational programs:** Developing and enhancing educational programs to strengthen the community of AML professionals and foster cooperation and knowledge sharing.

What can be done to create opportunities for scaling up the solutions discussed in the session? And by whom?

- **Enhanced cooperation:** Policymakers and regulators should actively encourage and enable closer cooperation between public and private sectors, facilitated by platforms like the Lithuanian AML Centre of Excellence.
- **Technological innovations:** Leveraging AI and machine learning to process vast amounts of data efficiently, while ensuring human expertise remains integral for final risk assessments.
- **Regulatory support:** Advocating for supportive regulatory frameworks, such as the new EU AML package, to clarify access to BO registers and address legal and geopolitical challenges, taking into account the operational reality of financial crime compliance.

Is there a specific call to action to key stakeholders, such as governments, businesses, funders, civil society, young people, journalists or any other stakeholder that should be noted? Please specify if relevant.

- **Public authorities:** Strengthen legal frameworks and ensure broad access to BO registers to facilitate transparency and accountability.
- **Private sector:** Invest in advanced data and technology solutions and foster a culture of compliance and transparency.
- **Civil society and journalists:** Advocate for public access to and high(er)-quality of BO data and utilise it to enhance transparency and accountability.
- **AML professionals:** Engage in educational programs and foster a community of knowledge sharing and cooperation.

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Action! This report needs to be emailed to iacc-av@transparency.org within 24 hours of the session. If you wish to update the report, please do so by 21 July. Thank you.