

Patron, Sir Don McKinnon

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Transparency International New Zealand

Timeliness of Panama Papers inquiry needn't limit scope

The limited scope of the Government inquiry into foreign trust disclosure rules fails to address fundamental issues brought to light by the Panama Papers

Transparency International New Zealand (TINZ) is extremely surprised and disappointed at the limited scope of the Shewan Inquiry.

The Panama Papers have highlighted a range of fundamental transparency and risk areas many which New Zealand policy makers are well aware of.

The terms of reference mean the inquiry will merely investigate foreign trusts rather than tackle the broader spectrum of financial crime risks associated with New Zealand companies and trusts. The limited scope, apparently because of the short deadline set for the inquiry, ignores substantial government policy work already done in this area that the inquiry could build on.

The transparency of all corporate vehicles, including foreign trusts, is essential to prevent and detect serious crime potentially involving billions of dollars such as money laundering and ill-gotten asset transfers and other forms of international corruption.

TINZ recommends that:

- The New Zealand AML/CFT Act (2009) be extended to cover all professionals, including lawyers and accountants that are engaged in setting up and managing New Zealand corporate vehicles.

- New Zealand establish a corporate registry that includes beneficial ownership of relevant business structures to enable review and audit by law enforcement and compliance bodies and is consistent with international efforts.
- The entity operating the corporate registry be adequately resourced and funded to be effective.
- New Zealand equally ensure similar transparency of trusts to understand the ultimate beneficial owners by establishing a similar registry for trusts.

It is important that New Zealand is actively involved in international efforts to combat misuse of trusts and companies in cooperation with countries and NGOs globally. Furthermore, our reputation for integrity requires an active New Zealand role in discussing and implementing workable remedies.

On May 12 Prime Minister David Cameron is hosting an Anti-Corruption Summit for governments that genuinely want to tackle corruption make the change happen. The coincidental timing of this Summit with the Shewan inquiry has the potential to add much value to the inquiry's observations, conclusions and recommendations.

TINZ will be represented at the preceding "*Tackling Corruption*" conference in London.

The Shewan Inquiry will have a material impact on the future of New Zealand's standing in the world and on our collective prosperity. TINZ intends to fully cooperate with the inquiry to ensure the best outcome given the limited scope and timeframe.

Background information for journalists

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2. Transparency International

Transparency International is a global civil society coalition leading the fight against corruption. It compiles a number of measures of different aspects of corruption including the Corruption Perceptions Index, the Global Corruption Barometer, and the Bribe Payers Index. Information on Transparency International can be found at

www.transparency.org and detailed information on the Corruption Perceptions Index can be found at www.transparency.org/cpi.

3. **About TINZ**

Transparency International New Zealand (TINZ) is the local chapter of the global organisation - <http://www.transparency.org.nz/>. TINZ works to actively promote the highest levels of transparency, accountability, integrity and public participation in government and civil society in New Zealand and the Pacific Islands.

Transparency International New Zealand provides a free [Anti-Corruption Training Tool](http://transparency.org.nz/Anti-Corruption-Training) (transparency.org.nz/Anti-Corruption-Training) designed by leading experts in the field, and enables organisations to provide training for their personnel. This was developed in partnership with the Serious Fraud Office and BusinessNZ.

Transparency International New Zealand published the [*Integrity Plus 2013 New Zealand National Integrity System Assessment*](#) and is actively engaged in the implementation of its recommendations.