

Symposium on Systems of Financial Secrecy

Organised by the London School of Economics - International Inequalities Institute (Wealth, Elites and Tax Justice Theme) and Open Ownership. The symposium is supported by the Atlantic Fellows for Social and Economic Equity programme.

21 February 2024

Presentation details

Overall opening remarks

Professor Mike Savage

London School of Economics

Professor Mike Savage joined the London School of Economics in 2012 and is Martin White Professor in the Department of Sociology. He was Head of Department between 2013 and 2016. Between 2015 and 2020 Professor Savage was Director of LSE's International Inequalities Institute, which hosts the Atlantic Fellows programme, the largest global programme in the world devoted to challenging inequalities. He now convenes the III's Wealth, Elites and Tax Justice Theme.

Professor Savage's role at LSE builds on his long standing interests in analysing social stratification and inequality. He has played a major role in the revival of the sociology of social class in recent decades so that it has become once more a central plank of the discipline.

Session one

Setting the scene: context and background for discussing systems of financial secrecy

09:30–10:45

Topic	Speaker
Invisible wealth, elites and global inequalities: Coloniality and the case for reparations	Tye Salandy , Sociologist, University of the West Indies
Financial institutions that make rules on illicit financial flows and their impact on developing countries	Mary Ongore , Legal Manager Sustainable Finance, International Lawyers Project

Topic	Speaker
The Regulation of Illicit Financial Flows (RIFF) dataset: A new world map of 30-years of financial secrecy and anti-money laundering reforms.	Daniel Haberly , Senior Lecturer, School of Global Studies, University of Sussex
Exploring patterns of beneficial ownership reform	Angus Barry , PhD researcher, Blavatnik School of Government, University of Oxford
Q & A	

Moderator: Louise Russell-Prywata

Deputy Executive Director, Open Ownership

Louise Russell-Prywata is Deputy Executive Director at Open Ownership, a non-profit driving the global shift towards transparency and accountability in corporate ownership and control.

Louise joined Open Ownership in 2018 to manage technical assistance to governments implementing beneficial ownership transparency reforms, and then established and led its policy and advocacy function. Louise has over 15 years' experience working across governance, anti-corruption, international development and the broader non-profit sector, most recently spending five years with Transparency International UK. She is a Senior Atlantic Fellow at the London School of Economics, where her research interests include elite networks of financial influence and the role of company ownership data in tackling transnational governance issues.

Presenters:

Tyehimba Salandy

University of the West Indies, Atlantic Fellow for Social and Economic Equity

Tyehimba Salandy is a sociologist, educator and farmer from the Caribbean twin island republic of Trinidad and Tobago. His research focuses on globalisation and development, mental health, inequality, Caribbean radical thought, coloniality/decoloniality, and he is particularly interested in inequalities in the production of knowledge. He is a director at the Institute of Indigenous Knowledge, Empowerment and Research (IKER Institute) which has ongoing projects towards encouraging ecological livelihoods, social justice and alternative modalities to address addiction, mental health and trauma. The IKER Institute manages a community-based ecological farm and a nature park as part of its mission to set an example of an alternative and decolonial model of development, justice and healing. In this model agriculture and nature are used as a basis for people to learn about history, society and self.

Title: Invisible Wealth, Elites and Global Inequalities: Coloniality and the Case for Reparations

Abstract: Global inequalities are an enduring reality in modern societies. The 2022 Global Inequality Report estimates that the richest 10 % of the global population own 76 % of all wealth

with wealth inequalities within nations increasing. Yet the Pandora Papers relations in 2021 offered a rare insight into the extent of not just the hidden wealth of global elites but more importantly how the global financial systems are configured in favour of wealthy and western interests. This invisibility of wealth may mean that current global inequalities may be higher than has been estimated. Understanding the historical and structural configurations of the global economic system as an evolution of colonial relations of power is central towards addressing the social and environmental effects of global inequality. This presentation focuses on the foundations of global inequalities in the activities of European empires revolving around systems of domination, secrecy and wealth extraction. It explores the potential of reparations as a framework of economic justice, transparency and redistribution of resources.

Research forthcoming.

Mary Ongore

Legal Manager Sustainable Finance, International Lawyers Project

Mary Ongore is a Kenyan legal professional who holds an LLB degree from the University of Leeds and an LLM in Tax Law from Queen Mary University of London. Currently, she is a Ph.D. candidate at the University of Nairobi specialising in illicit financial flows. Her research revolves around international tax, fiscal policy, and illicit financial flows. Mary has had a diverse and rich career, beginning as a Tax Advisor at KPMG in the United Kingdom and then working as an Employment Tax advisor at Zurich Insurance in the United Kingdom. She has since worked for Strathmore University as a Doctoral Fellow, the University of Nairobi as a Tutorial Fellow, and at Dentons Hamilton Harrison & Mathews as a Tax Associate. She has also served as the Vice Chair of the Committee on Fiscal Studies housed under the University of Nairobi where she was responsible for conducting research on international tax, identifying funding opportunities, capacity building, and mentoring young researchers. As an independent consultant, she has conducted research on tax and gender, tax treaties, tax and human rights, and taxpayers' rights among others and she is dedicated to tax law and policy research. She is currently the Legal Manager (Sustainable Finance) where she works on various aspects of fiscal policy.

Title: Financial Institutions that Make Rules on Illicit Financial Flows and Their Impact on Developing Countries

Abstract: Although taxation, finance, and monetary systems are sovereign issues, global standard-setting institutions such as the Bank of International Settlements (BIS), Basel Committee on Banking Supervision (BCBS), FATF, Financial Stability Board (FSB), and the International Organization of Securities Commissions (IOSCO) often write the rules touching on the international financial system that are then domesticated. These have a significant impact on how the financial sector operates and whether financial industry professionals support or impede efforts for greater financial transparency, which could help take away tools that enable billions in illicit financial flows. However, their membership and agenda are often set by members from the Global North and often meet in Europe and North America. While these bodies tackle different elements of illicit financial flows, which have a significant impact on developing countries, they are often linked together through funding agreements and reciprocal membership. This presentation

will discuss the role of these institutions in norm-setting and their impact on developing countries in the Global South.

Research forthcoming.

Daniel Haberly

Senior Lecturer, School of Global Studies, University of Sussex

Daniel Haberly is a Senior Lecturer in the School of Global Studies at the University of Sussex, and the co-author of [Sticky Power: Global Financial Networks in the World Economy](#) (Oxford University Press). He is currently leading a UK FCDO-funded Serious Organized Crime and Anti-Corruption Evidence (SOC-ACE) project with the Centre for the Study of Corruption. This seeks to better understand the illicit use of offshore financial structures by making use of leaked data from the Panama and Paradise Papers, together with newly constructed datasets of sanctioned and corruption-linked financial networks, and a novel database of the changing world map of financial secrecy and anti-money laundering regulation since 1990.

Title: The Regulation of Illicit Financial Flows (RIFF) dataset: A new world map of 30-years of financial secrecy and anti-money laundering reforms.

Abstract: To empirically assess the effectiveness of anti-money laundering and broader illicit finance-targeted reforms, we need a map of how and when specific reforms have been implemented, in key jurisdictions around the world, over the past few decades. Here we introduce the largest and most detailed dataset yet created of long-term change in the global IFF regulatory landscape—the Regulation of Illicit Financial Flows (RIFF) dataset. Compiled with support from the UK FCDO Global Integrity Anti-Corruption Evidence (GI-ACE) program, and assistance from the Financial Secrecy Index team at the Tax Justice Network, the RIFF provides annual data on 22 regulatory indicators, in 61 key jurisdictions, for 1990-2020. Analysing this new world map of long-term jurisdiction-level IFF regulatory change, we find evidence of broad international regulatory convergence, across most offshore jurisdictions and OECD countries, in AML/CFT compliance and international information exchange. However, these areas of regulatory convergence have been layered on top of a persistent offshore-onshore divide in statutory banking secrecy, and in the scope and accessibility of beneficial ownership data, wherein lapses also persist in key OECD members. This is likely to have a particular impact on the investigative efforts of non-governmental actors, including journalists and civil society organisations, who play a crucial role in uncovering illicit financial activities, and frequently instigate government enforcement actions. To address this, we recommend a broader financial transparency-oriented approach to global IFF-regulatory reform, which recognizes the key role played by non-governmental actors, alongside governments, in policing financial crime, and is—crucially—led by example by the world’s wealthiest and most powerful countries.

Research forthcoming.

Angus Barry

PhD researcher, Blavatnik School of Government, University of Oxford

Angus Barry is a PhD researcher at the Blavatnik School of Government, investigating the adoption of beneficial ownership policies outside of advanced financial centres. He has also worked in the UK Civil Service for nine years, including on the adoption of the Beneficial Ownership Data Standard and on two anti-corruption programmes, one focused on procurement systems and one focused on corruption in military contexts. He speaks Bahasa Indonesia and is looking forward to carrying out research into Indonesia's beneficial ownership policies later this year.

Title: Exploring patterns of beneficial ownership reform

Abstract: Beneficial ownership policy aims to improve the transparency of corporate and asset ownership structures. In addition to addressing domestic policy goals, beneficial ownership transparency is rapidly becoming a feature of the global anti-money laundering governance regime. As a consequence, governments outside advanced financial centres are also coming under pressure to implement beneficial ownership reforms aligned with the Financial Action Task Force's standards. Experience shows that governments respond strategically to pressure to implement international standards. This presentation will first draw parallels with comparable policy areas where international standards interact with domestic policy objectives, particularly from academic literature on mock compliance and political economy. Second, it will present empirical results from investigating relationships between the Global Data Barometer's Company Information dataset and governments which have been early movers in implementing beneficial ownership reforms. These show significant effects of both international pressure and domestic policy goals, with the latter being conditional on domestic political economy. For example, countries with a higher level of corruption are less likely to introduce beneficial ownership reforms, but the reverse is true for countries which have higher levels of both corruption and democratic participation. The next step of the research will be to carry out an in-depth process tracing analysis of two emerging economies which have introduced beneficial ownership reforms: South Africa and Indonesia.

Research forthcoming.

Session two

Systems of financial secrecy in the UK: understanding the UK's global role and evaluating current and future policy solutions

11:10–12:45

Topic	Speaker
Introductory remarks to the UK session	Dame Margaret Hodge , Member of Parliament for the United Kingdom
Keynote: Hidden ownership of real estate in the UK: the difficult route to transparency.	César Poux , Research Assistant, London School of Economics and Political Science International Inequalities Institute
Why hide? The dynamics of secrecy and tax in UK property holdings	Dr. Kristin Surak , Associate Professor of Political Sociology, London School of Economics and Political Science and Mr Johnathan Inkley , Research Assistant, London School of Economics and Political Science
Avoiding transparency through offshore real estate: Evidence from the United Kingdom	Jeanne Bomare , PhD researcher, Paris School of Economics, and Research Fellow, EU Tax Observatory
The end of Londongrad? The impact of beneficial ownership transparency on offshore investment in UK property	Matthew Collin , Senior Economist, EU Tax Observatory
Q & A	

Moderator: Rachel Davies

Advocacy Director, Transparency International UK

Rachel Davies has worked on anti-corruption policy for over a decade, focussing on corruption in the UK and the UK's role as a safe haven for dirty money. She is Co-Chair of the [UK Anti-Corruption Coalition](#) and leads Transparency International's UK advocacy team. She was formerly Chair of the [Economic Crime Civil Society Organisations Steering Group](#) (CSOSG) and was a founding member of the UK Open Government Network steering group.

Introductory remarks by Dame Margaret Hodge, Member of Parliament for the United Kingdom

Margaret Hodge became the Labour Member of Parliament for Barking in June 1994. She has served in government, holding portfolios across education, work and pensions, business and culture. She was the first Children's Minister from 2003 to 2005; Minister for Universities from

2001-2003; and Minister for the Arts and the Creative Industries for the final years of the last Labour Government.

In 2010, Margaret faced a challenge from the leader of the British National Party in the General Election of that year. She won the 'Battle for Barking' and was returned to Parliament with a comfortable majority.

Later that year, Margaret also became the first elected Chair of the Public Accounts Committee and was also its first female Chair. After retiring the post in 2015, Margaret later published *Called to Account* reflecting on her time as Chair of the PAC.

Since 2015, Margaret has been Chair of the Board of Directors of Theatre Royal Stratford East and in 2018 became the Chair of College Council for Royal Holloway, University of London.

Margaret is the Chair of the All-Party Parliamentary Group on Anti-Corruption and Responsible Tax, where she has been relentlessly campaigning against financial crime and dirty money.

Margaret is also a Visiting Professor at The Policy Institute at King's College London, and a board member for the Social Market Foundation.

Presenters:

Keynote: César Poux

Research Assistant, LSE International Inequalities Institute

César Poux is a researcher at the International Inequalities Institute at the LSE, working with Dr Arun Advani and Dr Andy Summers. He specialises in public finance, tax design, tax avoidance and offshore ownership of wealth. His most recent work focuses on offshore ownership of UK property and structures to circumvent transparency rules, as well as tax flight from top earners in the UK.

Title: Hidden ownership of real estate in the UK: the difficult route to transparency.

Abstract: Tens of thousands of UK properties worth billions of pounds are currently owned by offshore entities, most of them registered in tax havens. Despite recent efforts by the UK government to increase transparency requirements, many of the ultimate beneficial owners of these properties remain unidentifiable to the public or to tax and law enforcement authorities. The use of complex legal ownership structures, trust arrangements in particular, has hindered the government's ability to design fully comprehensive and efficient transparency rules. As a consequence, offshore ownership of UK real estate continues to be at risk of being a vehicle for money laundering and financial crime. We present the most up to date evidence on the efficacy of the UK's Register of Overseas Entities and offer directions for reform.

Research: [Catch me if you can: Gaps in the Register of Overseas Entities](#)

Dr. Kristin Surak

Associate Professor of Political Sociology, London School of Economics and Political Science

and

Mr Johnathan Inkley

Research Assistant, London School of Economics and Political Science

Johnathan Inkley holds degrees from the University of Cambridge, Imperial College London and the LSE. He works at LSE in the Department of Sociology with Professor Kristin Surak and the International Inequalities Institute with Professor Mike Savage on projects involving tax and economic elites. Prior to this, he worked as an economics consultant and quantitative software engineer in the private sector.

Kristin Surak is Associate Professor of Political Sociology at LSE and the author of [*The Golden Passport: Global Mobility for Millionaires*](#) (Harvard University Press 2023). Her research on elite mobility, international migration, nationalism, and politics has been translated into a half-dozen languages. In addition to publishing in major academic and intellectual journals, she also writes regularly for popular outlets, including the London Review of Books, Washington Post, the Guardian, New Statesman, and the Wall Street Journal. Her book *Making Tea, Making Japan: Cultural Nationalism in Practice* (Stanford University Press 2013) received the Book of the Year Award from the American Sociological Association's Asian Section. She has held several internationally recognized positions, including Richard B. Fischer Member of the Institute for Advanced Study in Princeton, Fung Global Fellow at Princeton University, Sainsbury Fellow at the Sainsbury Institute for Japanese Arts and Cultures. She is a Lifetime Fellow of Clare Hall, University of Cambridge, and has been a visiting professor at the Tokyo University of Foreign Studies and New York University in Abu Dhabi. The American Academy of Political and Social Science has recognized her scholarship, which has been funded by the German Science Foundation (DFG), Economic and Social Research Council (ESRC), Japan Foundation, Fulbright-Hays Foundation, and Leverhulme Foundation, among others. She comments regularly for global media outlets, including the BBC, Bloomberg TV, Huffington Post, Channel News Asia TV, and Sky TV News.

Title: Why Hide? The Dynamics of Secrecy and Tax in UK Property Holdings

Abstract: Do politics or taxes drive individuals to use offshore when purchasing real estate? Previous studies have shown that a desire for secrecy is a major motive for offshore use, but less is known about whether tax evasion or mistrust of authoritarian regimes is a primary driver for those seeking anonymity. In addition, previous research has faced challenges when identifying whether individuals are seeking to evade or avoid taxes. Real estate is a particularly generative site to examine these issues because it is not reported under CRS and is a relatively opaque asset class. Indeed, the implementation of CRS saw as much as 19 billion pounds move into UK real estate. However, newly available data offers a window into the drivers of offshore real estate holdings. How do home-country contexts impact the use of offshore? To answer this question,

we perform a combined analysis of three datasets – Overseas Companies that Own Property in England and Wales (the “OCOD register”), Register of Overseas Entities (ROE), and macro-level individual ownership data from the Centre for Public Data – to identify variations by nationality in terms of who reports on owned properties and whether those are owned directly or through companies. Our findings reveal significant patterns of variation in holdings and reportings – as well as non-reportings – based on investors’ nationality. By pinpointing differences in political context and tax context, we are able to identify distinct national configurations in the prime motives of individuals using offshore. In addition, our analysis reveals shifts in the ecology of offshore over time.

Research forthcoming.

Jeanne Bomare

PhD researcher, Paris School of Economics, and Research Fellow, EU Tax Observatory

I am a PhD Candidate at the Paris School of Economics and a research fellow at the EU Tax Observatory. My research lies at the intersection of public economics and real estate economics, with a particular interest in offshore real estate and international tax evasion. I conduct projects studying the determinants and consequences of offshore real estate ownership, and evaluating the impact of tax policies on individual and corporate tax compliance.

Title: Avoiding Transparency through Offshore Real Estate: Evidence from the United Kingdom

Abstract: This paper provides evidence of the growing importance of real estate assets in offshore portfolios. We study offshore real estate investments in the UK using administrative data on real estate purchases made by foreign companies. First, we show that this market is large and highly secretive: around 5% of total UK real estate wealth was held from abroad in 2018, mostly through tax havens. We match administrative records to corporate registers and leaks to shed light on the ultimate ownership of properties, and find that most offshore investments to the UK can be traced back to individuals from the UK and from the Middle East. Second, we study the implementation of the first multilateral automatic exchange of information norm, the Common Reporting Standard (CRS), which introduces cross-border reporting requirements for financial assets but not for real estate assets. We show that tax havens that are more exposed to the CRS significantly increased their real estate investments to the UK after the introduction of the policy. We estimate that around \$45 billion has been invested in the UK real estate market between 2013 and 2016 in reaction to the CRS. This indicates that at a global scale, a substantial portion of wealth that flowed out of tax havens following the policy change was ultimately invested in properties.

Research: [Avoiding Transparency through Offshore Real Estate: Evidence from the United Kingdom](#)

Matthew Collin

Senior Economist, EU Tax Observatory

Matt Collin is a Senior Researcher at the EU Tax Observatory, where he conducts empirical research on illicit financial flows (cross-border tax evasion, money-laundering, and related activity). He was previously an Economist in the World Bank's Global Tax Team, a Rubenstein Fellow at the Brookings Institution, and a Research Fellow at the Center for Global Development.

Title: The end of Londongrad? The impact of beneficial ownership transparency on offshore investment in UK property

Abstract: UK property markets are thought to be a common destination for corrupt and criminal assets, who often invest through offshore shell companies. Following the Russian invasion of Ukraine in 2022, we study the impact of the introduction of a policy in the UK intended to eliminate the anonymous ownership of property by requiring offshore companies to file their beneficial owners on public register. We find that new purchases by companies based in tax havens fell substantially following government announcements that the policy would be introduced that year, and further declines following the establishment of a register of ownership. While the policy has effectively led the off-shore market to slow, between £45–78 billion worth of UK real estate is still owned by companies based in tax havens, some of which have yet to comply with their reporting obligations. We do not find strong evidence of price effects nor substitution into ownership through suspicious domestic companies, although larger movements may manifest after firms respond to the finalisation of the policy in January 2023.

[Research.](#)

Discussant: Robert Barrington

Professor of Anti-Corruption Practice, Centre for the Study of Corruption,
University of Sussex

Robert Barrington is Professor of Anti-Corruption Practice at the Centre for the Study of Corruption, University of Sussex. His research focuses on global corruption trends and corruption in developed economies, and he lectures on the Masters in Corruption & Governance. He was formerly the head of Transparency International (TI) in the UK, and Chair of TI's International Council. At TI, he led the campaigns to secure the Bribery Act, a national Anti-Corruption Strategy for the UK and the introduction of Unexplained Wealth Orders. Previous roles include Director of Governance & Sustainable Investment at F&C Asset Management, overseeing Europe's leading ESG funds, and CEO (Europe) of the Earthwatch Institute in Oxford. Robert has been a long-term adviser to the UK government on subjects including the Bribery Act, export credits and the post-Brexit procurement regime, and has served on multiple boards and advisory committees ranging from The Environment Council to the World Economic Forum's Global Futures Council on Good Governance. Publications include a new 'Dictionary of Corruption', 'Understanding Corruption', 'How to Bribe', 'Adequate Procedures – Guidance to the UK Bribery Act', and 'Corruption in the UK'. He holds a degree from Oxford University and a PhD from the European University Institute.

Session three

Sanctions and national security

13:30–15:00

Moderator: Thom Townsend, Executive Director, Open Ownership

Topic	Speaker
Keynote: Kleptocratic adaptation to sanctions: The role of bridging jurisdictions	Jodi Vittori , Professor of the Practice, Walsh School of Foreign Service, Georgetown University
Tackling sanctions evasion in the UK: Recent policy developments and emerging enforcement challenges	Dr Helen Taylor , Senior Legal Researcher, Spotlight on Corruption
Central bank digital currencies and national security: Policy considerations	Joshua Tjeransen , PhD Researcher, Dickson Poon School of Law, King's College London
An empirical study of the impact of Magnitsky sanctions on the earliest corruption designees	Steph Muchai , Programme Director, Governance and Accountability, International Lawyers Project
How Russian oligarchs and officials hide assets and skirt sanctions	Simon Lock , Reporter, Bureau of Investigative Journalism and Tom Stocks , Senior Investigator, Organized Crime and Corruption Reporting Project
Q & A	

Moderator: Thom Townsend

Executive Director, Open Ownership

Thom Townsend is Open Ownership's Executive Director and our chief strategist. He directs implementation efforts and works with our partners to maximise our impact. His focus is on making sure that we deliver our goal of ensuring the world has more open, usable information about who ultimately owns and controls companies.

Thom is an expert on open data and was previously Head of Data Policy for the UK government. He has led some of the UK's biggest open data commitments at the national and global level, and has spent his career ensuring that good data is being produced and used inside and outside of government.

Thom led the open contracting elements of the 2016 London Anti-Corruption Summit and it was here that the real push towards open, usable beneficial ownership data got started and Open Ownership was born. It was clear that beneficial ownership disclosure is the last link in the long chain required to follow the money and the next frontier to work on, which is why Thom left government and now leads Open Ownership.

Presenters:**Keynote: Jodi Vittori**

Professor of the Practice, Walsh School of Foreign Service, Georgetown University

Jodi Vittori is an expert on the linkages of corruption, state fragility, illicit finance, and US national security. She is a Professor of Practice and co-chair of the Global Politics and Security program at Georgetown University's School of Foreign Service and a non-resident fellow with the Carnegie Endowment for International Peace. Before joining the Georgetown University faculty, she was the US Research and Policy Manager for Transparency International's Defense and Security Program and a senior policy advisor for Global Witness. Jodi also served in the U.S. Air Force; her overseas service included Afghanistan, Iraq, South Korea, Bosnia-Herzegovina, Saudi Arabia, and Bahrain, and she was assigned to NATO's only counter-corruption task force. She was an Assistant Professor and military faculty at the US Air Force Academy and the National Defense University. She is also a founder and co-moderator of the Anti-Corruption Advocacy Network (ACAN) which facilitates information exchange on corruption-related issues amongst over 1000 participating individuals and organisations worldwide. She is a graduate of the US Air Force Academy and received her PhD in International Studies from the University of Denver.

Title: Kleptocratic Adaption to Sanctions: The Role of Bridging Jurisdictions

Abstract: One of the most significant national security challenges associated with sanctions is so-called bridging jurisdictions. These are jurisdictions—whether countries, regions, or city-states—that have strong links to the international trade and financial systems. They are also deeply embedded in facilitating a variety of activities associated with sanctions evasion including smuggling, money laundering, and providing safe haven. Due to these jurisdictions' perceived strategic significance, however, they avoid being the target of meaningful sanctions themselves or otherwise marginalised in the international system. This presentation will highlight two key outcomes of these bridging jurisdictions. First, so long as these jurisdictions can maintain their facilitation of sanctions evasion with near impunity in the international system, the ability for sanctions to be effective is significantly curtailed. Second, at least one of these locations—the United Arab Emirates (especially Dubai)—has acted as an offshore primary or secondary business capital for various rogue states. As a result, sanctions regimes will have to establish a broader net to catch sanctioned activities when the headquarters of key companies and personnel are not substantially physically embedded in the sanctioned country.

The discussion of bridging jurisdictions is a component of a larger paper available [here](#).

Dr Helen Taylor

Senior Legal Researcher, Spotlight on Corruption

Dr Helen Taylor is a senior legal researcher at the UK-based charity Spotlight on Corruption. She leads Spotlight's court monitoring programme, tracking major sanctions and corruption-related cases in the courts of England and Wales. She previously worked at the Judicial Commission of Inquiry into Allegations of State Capture, Corruption and Fraud in South Africa, and also clerked at the South African Constitutional Court. Helen completed her DPhil in Law at the University of

Oxford, and is a research associate at the South African Institute for Advanced Constitutional, Human Rights, Public and International Law at the University of Johannesburg.

Title: Tackling sanctions evasion in the UK: Recent policy developments and emerging enforcement challenges

Abstract: While the UK was quick to roll out an unprecedented package of financial sanctions in response to Russia's full-scale invasion of Ukraine, these measures have not been backed up by robust enforcement action against those who evade sanctions and their enablers. This presentation will first take stock of recent legislative and policy responses to sanctions evasion and identify critical weaknesses that remain, including barriers to proactive and effective intelligence- and information-sharing among key actors involved in sanctions enforcement. Turning to consider evidence from the first sanctions evasion cases to reach the courts, the presentation will then highlight the challenges encountered in early enforcement efforts by the National Crime Agency's new Combatting Kleptocracy Cell. Finally, the presentation will suggest priorities for strengthening enforcement action to tackle the threat of sanctions evasion.

Research forthcoming.

Joshua Tjeransen

PhD Researcher, Dickson Poon School of Law, King's College London

Joshua Tjeransen a Research Assistant focusing on outreach activities, capacity building and investigation at the Centre for Science & Security Studies (CSSS). His research focuses upon proliferation finance, sanctions evasion, alternative payment methods, illicit financial activity, and cashless economies. Before working with CSSS, Joshua worked in the private financial sector in a compliance capacity focusing on anti-money laundering and sanctions evasion. Joshua also served as a Police Officer for four years whereby a large proportion of his work consisted of investigations into financial offences pertaining to the proceeds of crime. Joshua holds a BA in Criminology and Criminal Justice, and a MSc in Countering Organised Crime and Terrorism from University College London. Joshua is also a PhD Student at King's College London. Situated in the Dickson Poon School of Law and the Department of War Studies, Joshua's research focuses on Central Bank Digital Currencies and Financial Crime. Outside of work, Joshua has co-founded a bespoke consulting group, the London Washington Institute, is the managing editor of King's Student Law Review, a dedicated Rotarian and an avid Rugby player.

Title: Central bank digital currencies and national security: Policy considerations

Abstract: Central bank digital currencies (CBDCs) have come to the fore in recent years, developing organically alongside the steady decline in the transactional use of cash, the rise of cryptocurrency and the emergence of financial technology. Many scholars and policymakers note both exciting benefits and potentially worrying consequences. CBDCs seek to offer a central bank-issued fiat currency in digital form. In essence, CBDCs are the digitisation of the banknote in a user's wallet. CBDCs are envisioned to come in two forms: retail, aimed at consumers, and wholesale, aimed at financial institutions. Numerous governments are assessing the utility of CBDCs, with some conducting pilot trials. However, concerns over the impact of CBDCs feature

prominently in current discourse, with analyses noting risks such as reduced privacy, a single point of failure, banking disintermediation leading to a reduction in the availability of credit, and even the potential for external foreign interference in domestic payments. This paper examines the international security risks posed to the UK by foreign retail and wholesale CBDCs. Due to the novelty of CBDCs, current debates are relatively narrow and rarely examine CBDCs in the wider context of international security. This is of particular concern as CBDCs could radically transform the way that people and businesses interact with fiat currency, both nationally and internationally. Therefore, this paper seeks to further understanding of the potential adverse international security effects of the development of foreign CBDCs – that is to say, of CBDCs developed outside the UK, backed by a central bank other than the Bank of England. International security concerns that emerged in the research for this paper centre principally on four themes:

- Unease regarding China's possible dominance in the CBDC market.
- Implications of first-mover advantage (and conversely the implications of delaying domestic development of a CBDC).
- The role of CBDCs in international sanctions.
- The impact of foreign CBDCs on the UK as a financial centre.

[Research](#)

Steph Muchai

Programme Director, Governance and Accountability - International Lawyers Project

Steph Muchai is a lawyer and seasoned governance professional, serving as the Programme Director - Governance and Accountability at International Lawyers Project (ILP). Over her career, Steph has provided direct pro bono legal support to indigent & marginalised persons, as well providing pro bono technical expertise to various arms of government.

She leads ILP's work on; Public Procurement Integrity, Accountability for International Corruption, Asset Recovery, Illicit Financial Flows and Beneficial Ownership and Tackling the UK's Role as an International Money Laundering Hub for Enablers.

For over 13 years Steph has served alongside non-state actors advocating for social justice, good governance, accountability, meaningful public participation and an enabling civic space. She is currently a member of the Open Government Partnership Board of Directors and Global Steering Committee. She supports Member States of the Partnership to work towards transparent, responsive and inclusive governance.

Title: An Empirical Study of the Impact of Magnitsky Sanctions on the Earliest Corruption Designees

Abstract: This paper provides evidence of the growing importance of real estate assets in offshore portfolios. We study offshore real estate investments in the UK using administrative data

on real estate purchases made by foreign companies. First, we show that this market is large and highly secretive: around 5% of total UK real estate wealth was held from abroad in 2018, mostly through tax havens. We match administrative records to corporate registers and leaks to shed light on the ultimate ownership of properties, and find that most offshore investments to the UK can be traced back to individuals from the UK and from the Middle East. Second, we study the implementation of the first multilateral automatic exchange of information norm, the Common Reporting Standard (CRS), which introduces cross-border reporting requirements for financial assets but not for real estate assets. We show that tax havens that are more exposed to the CRS significantly increased their real estate investments to the UK after the introduction of the policy. We estimate that around \$45 billion has been invested in the UK real estate market between 2013 and 2016 in reaction to the CRS. This indicates that at a global scale, a substantial portion of wealth that flowed out of tax havens following the policy change was ultimately invested in properties.

Research: [An Empirical Study of the Impact of Magnitsky Sanctions on the Earliest Corruption Designees](#)

[Case studies](#)

Session four

Taxation, corruption, and public funds

15:30–17:15

Topic	Delivered by
Keynote: Beyond bribery: The interconnections between corruption and tax crime	Diane Ring , Professor of Law and Dr. Thomas F. Carney Distinguished Scholar, Boston College Law School
Exploring potential conflict of interest in anti-tax abuse policymaking	Costantino Grasso , Associate Professor in Business and Law at Manchester Law School
The abuse of trusts for tax evasion and avoidance	Andres Knobel , Lead Researcher on Beneficial Ownership, Tax Justice Network
Using beneficial ownership data for large-scale risk assessment in public procurement	Dr. Mihály Fazekas , Associate Professor, Central European University and Irene Tello Arista , PhD Researcher, Central European University
The Slovak experience: a special BO register as the main know-your-customer tool for public contracting	Andrej Leontiev , Managing Partner, Taylor Wessing
Q & A	

Moderator: Victoria Gronwald

PhD Researcher, London School of Economics - International Inequalities Institute

Victoria Gronwald is a PhD Candidate at the LSE's Department of Sociology, funded by the International Inequalities Institute. She researches tax and financial transparency regulation in the UK and Switzerland. Outside of academia Victoria has eight years' experience working on responsible mining and mineral sourcing, with an increasing focus on illicit financial flows, having consulted among others for the World Bank, GIZ and private sector clients.

Discussant: Michael Vaughan

Research Fellow, London School of Economics - International Inequalities Institute

Michael Vaughan is a Leverhulme Early Career Fellow at the International Inequalities Institute. He completed his PhD at the University of Sydney on the contentious politics of international tax, and then worked as a postdoctoral researcher at the Weizenbaum Institute for the Networked Society in Berlin with a focus on far-right digital communication. His research interests include digital political participation, far-right politics and the communicative dimension of mobilisation around economic inequality.

Keynote: Diane Ring

Professor of Law and Dr. Thomas F. Carney Distinguished Scholar, Boston College of Law

Diane M. Ring is Professor of Law and the Dr. Thomas F. Carney Distinguished Scholar at Boston College Law School. Her work addresses issues including information exchange, corruption and taxation, transparency and disclosure, and tax leaks. Ring was a consultant for the United Nations' 2014 project on tax base protection for developing countries, and the UN's 2013 project on treaty administration for developing countries. Ring is also co-author of three case books in taxation— covering corporate taxation, international taxation, and ethical problems in federal tax practice. Before entering academia, Ring practised at the firm of Caplin & Drysdale in Washington, D.C., specialising in the area of international tax and the taxation of financial instruments. She also clerked for Judge Jon O. Newman of the Second Circuit Court of Appeals.

Title: Beyond Bribery: The interconnections between corruption and tax crime

Abstract: The interconnections between corruption and tax abuse extend beyond obvious cases of bribery and tax evasion. States must confront the burdens that corruption and tax abuse, broadly conceived, impose on their efforts to secure a revenue base that is stable and collected pursuant to democratic principles of justice and equity. To respond to these challenges, states must develop an expanded conception of both corruption and problematic tax conduct, and then begin identifying the precise ways in which corruption and tax abuse are interconnected and what that means for any serious policy response.

Research [here](#) and [here](#).

Dr. Costantino Grasso

Associate Professor in Business and Law at Manchester Law School

Costantino is an Associate Professor in Business and Law at Manchester Law School, Founder and Editor in Chief of the Corporate Crime Observatory and the Corporate Social Responsibility and Business Ethics Blog. He specialises in corporate and economic crime, corporate governance, corporate social responsibility, and whistleblowing. He serves as an international expert on corruption and good governance for the Council of Europe and has acted as a Principal Investigator for both EU-funded and NATO-funded international research projects. Costantino is a qualified solicitor in the UK and a lawyer in Italy, and he worked as part of the prosecuting team in the anti-bribery division of the Serious Fraud Office (SFO).

Title: Exploring Potential Conflict of Interest in Anti-Tax Abuse Policymaking

Abstract: Elaborating on the experiences gained in different jurisdictions, the presentation will focus on the difficulties faced by national governments in efficiently addressing tax abuses, particularly within the corporate sector. The presentation will aim to encourage the examination

and discussion of the potential underlying reasons for variations in effectiveness between preventive and punitive measures aimed at tackling tax abuses compared to those designed for addressing other types of crimes.

The presentation will be related, *inter alia*, to the following research outputs:

- Diane Ring and Costantino Grasso, '[Beyond Bribery: Exploring the Intimate Interconnections Between Corruption and Tax Crimes](#)', 85(4) Law and Contemporary Problems 2023, 1-47.
- Rudolf Elmer, '[Master of Laws \(LLM\) Special Guest Session: Conversation with Rudolf Elmer](#)', (Corporate Crime Observatory, 14 December 2023), Video Recordings.
- Costantino Grasso & Stephen Holden '[Expert Survey Report: The Interconnections between Tax Crime and Corruption](#)', (Corporate Crime Observatory, 2 September 2022), DOI 10.5281/zenodo.7808443.
- 'VIRTEU Roundtable "[Institutional Corruption and Avoidance of Taxation](#)".' (Corporate Crime Observatory, 12 March 2021), Video Recordings.

Andres Knobel

Lead Researcher on Beneficial Ownership, Tax Justice Network

Andres Knobel is the beneficial ownership lead researcher at the Tax Justice Network. His work focuses on beneficial ownership transparency, tax havens, exchange of information and offshore trusts. He has also worked as a consultant on the matter for the Inter-American Development Bank, the EU AML Global Facility, the UN, the German cooperation agency (GIZ), the Center for Inter-American Tax Administrations (CIAT) and ICRICT, among many others.

Title: The abuse of trusts for tax evasion and avoidance

Abstract: The abuse of trusts for illicit or illegitimate activities is based on two fundamental elements: secrecy and the ability of trusts to isolate assets from creditors (especially the discretionary trust), as well as to avoid and evade taxes.

As for secrecy, there is usually no need to register trusts to give them legal validity, a situation that prevents knowing: how many trusts operate in the world, who controls them, or what assets and income they hold. Furthermore, given the sophisticated structure of trusts, there are many parties involved (e.g., settlers, trustees, protectors, beneficiaries, etc.). This leads to many ways of exercising control, so it is usually difficult or impossible to know the identity of all the parties involved. In addition, trusts can be combined with other types of entities to hide the beneficial owner.

The second element has to do with the flexibility of the trust, which gives it a special capacity to isolate assets from the rest of society (because trust assets don't belong to the personal wealth of any of the trust parties) and this can be abused to defraud, for example, creditors or tax authorities.

The presentation will be related, *inter alia*, to the following research outputs:

Knobel, A., “The trust and other complex structures. Risks for transparency, tax evasion and tax avoidance, CIAT and Latindadd, 2023, available at:

”<https://www.ciat.org/Biblioteca/DocumentosTecnicos/Ingles/2023-Trust-Latindadd-norad.pdf>

Knobel, A., Lorenzo, F., “Trust Registration around the world”, Tax Justice Network, 2022, available at: <https://taxjustice.net/wp-content/uploads/2022/07/Trusts-FATF-R-25-1.pdf>

Knobel, A., “‘Trusts: Weapons of Mass Injustice?’ A response to the critics”, Tax Justice Network, 2017, available at:

<https://www.taxjustice.net/wp-content/uploads/2017/09/Trusts-criticism-response-1.pdf>

Dr. Mihály Fazekas

Associate Professor, Central European University

and

Irene Tello Arista

PhD Researcher, Central European University

Mihály Fazekas is an associate professor at the Central European University, [Department of Public Policy](#), with a focus on using Big Data methods to understand the quality of government globally. He is also the scientific director of an innovative think-tank, the [Government Transparency Institute](#). He has a PhD from the University of Cambridge where he pioneered Big Data methods to measure and understand high-level corruption in Central- and Eastern Europe. His research and policy interests revolve around corruption, favouritism, private sector collusion, and government spending efficiency. He regularly consults international organisations such as the OECD and a range of national governments and NGOs across the globe. He led a team of FCDO UK, GTI, and IMF which won the 1st prize at the [IMF Anti-Corruption Challenge](#) for measuring corruption and its costs globally.

Irene Tello Arista is a columnist for El Universal and co-chair of Action4Justice. Irene has more than ten years of experience working on anti-corruption issues, she was the executive director of Impunidad Cero; a research assistant at NYU’s GovLab; and a research assistant at Transparencia Mexicana (the Mexican chapter of Transparency International). She is currently doing a Ph.D. in Political Science at Central European University analysing the use of beneficial ownership data for anti-corruption efforts.

Title: Using beneficial ownership data for large-scale risk assessment in public procurement. The example of 5 European countries

Abstract: This paper fills a critical gap in the literature, providing practical insights into employing beneficial ownership data for large-scale corruption risk assessment in public procurement, with potential implications for public policy and practice. Existing literature lacks systematic evidence on using beneficial ownership (BO) data for large-scale corruption risk assessment. While some papers analyse its virtues, few papers use BO data for this purpose. This paper has two objectives: to validate common indicators of corruption and money laundering and to generate

hypotheses on the impact of beneficial ownership registers on financial crime. Analysing administrative datasets of public procurement contracts matched with beneficial ownership registers for 5 countries (Denmark, Latvia, Slovakia, UK, and Ukraine) this paper utilises bivariate analysis and linear regression (OLS) to analyse the relation between risk variables of ownership with corruption risk indicators of public procurement.

Andrej Leontiev

Managing Partner, Taylor Wessing

Andrej is Managing Partner of Taylor Wessing in Slovakia and works with clients from the private wealth, real estate and infrastructure. He worked on multiple transparency, anti-corruption and AML initiatives for different Slovak and foreign public, private and non-governmental entities. He was one of the main idea leaders on beneficial ownership transparency (BOT) in Slovakia. Andrej is a co-author of the Slovak Anti-shell Companies Law establishing a special BO Register (second oldest BO register in the world). He was advising the Slovak Ministry of Justice on the reform of the Company Register with respect to verification of beneficial owners (BOs). He works as an external expert at EU Global Facility on Anti-Money Laundering and Countering the Financing of Terrorism (EU GF AML/CFT). For the World Economic Forum / World Bank Andrej participated with other private and public stakeholders on creating a unique Gatekeepers Framework - value based self-regulatory framework for private sector intermediaries to prevent or interrupt illicit financial flows.

Title: The Slovak experience: a special BO register as the main KYC tool for public contracting

Abstract: Essentially, “corruption is just a form of financial alchemy” – transforming power into illicit money or illicit money into power. In Eastern Europe, a pervasive and often latent conflict of personal interests and “entrusted” public goods remain the primary source of dirty money. Competing private and public interests naturally leads also to misuse and abuse of power in disposition with public funds and public assets (including public contracting). As the recent example of Czech Prime Minister Mr. Babiš shows, it turns out to be very difficult or awkward to defend the public benefit of sitting on two chairs at once. However, a simple solution to hide business interests in politics is offered mainly by offshore jurisdictions. This is where anonymous shell companies enter the stage. Global investigations have drawn attention to the essential role of “gatekeepers.” To successfully “steal, hide and spend” the proceeds of illegal activities, assistance from gatekeepers is required. To enable and publicly control the efficient disposition with public funds and assets we must have legal instruments to determine which natural person (materially) stands behind companies doing business with public sector and benefit from their business. In other words, watching over public money requires focus on persons in conflict of interest and understanding of the roles of gatekeepers who can either enable or stop the undetected flow of illegal money.

The 2017 Anti-Shell Companies Act, which introduced a special BO register, is based on the axiom that only those private entities which voluntarily and reliably reveal their beneficial owners can engage in business activities with public sector (KYC rule). The legislation is constructed around three main principles. First, the scope of the public-private relations that are governed by the Act is very broad; it does not stop with public procurement, as this represents in Slovakia about 20% of public expenditure, but covers the transfer of the majority of EU, state and regional funds and subsidies, state aid, privatisation, and sale of state or regional assets, holding of mining rights concessions and others. It covers Slovak and foreign corporate vehicles concluding Slovak public contracts. Secondly, the data

on beneficial ownership is verified and registered exclusively by local gatekeepers; in other words, the state is utilising these professional intermediaries to exercise on behalf of the state a KYC check on behalf of the state. As this is a commercial service, the gatekeepers enter co-liability for the accuracy of the verified and registered data. Finally, the compliance and enforcement of the rules are safeguarded by a special court utilising a rather unique shifted burden of proof. This means the private entity when under investigation must provide substantial evidence on the accuracy of the registered beneficial ownership data to maintain its registration. When combined with the general public's access to information (incl. detailed verification documents), shifting the burden of proof is the most vital tool forcing the enablers of the anonymous schemes to pay regard to the Slovak regulation.

According to a recent review, out of the Top 100 Slovak companies (ranked according to their 2020 profit), only 11 companies fall outside the Act's scope. After seven years in operation, the Act's benefits are already measurable. Out of more than 35,000 private Slovak and foreign entities registered, only around a dozen natural persons – Cypriot citizens – are registered as beneficial owners. That gives us the notion that data accuracy is on the right track. Hundreds of Cypriot shell companies, which Slovak persons directly or indirectly own, disclosed their ownership and managing structures and registered their real beneficial owners. A recent TI study confirms that for the years 2018 and 2019, approximately 15,000 public contracts worth app. EUR 29 bn meet the de minimis threshold. Out of those, only 40 public contracts worth EUR 15.5 mil. were missing the registration of beneficial owners in the special BO register. The statistics for the years 2019 and 2020 were even better; only 25 public contracts worth EUR 5.5 mil. were lacking the disclosure of beneficial ownership of the suppliers.

Research: Radovan Pala, Andrej Leontiev, Fighting money laundering must go hand in hand with transparency of beneficial ownership, *Revue europeenne du droit*, Paris: Groupe d'études géopolitiques, Summer 2022, Issue Nr. 4,

<https://geopolitique.eu/en/articles/fighting-money-laundering-must-go-hand-in-hand-with-transparency-of-beneficial-ownership/>