



BROOKINGS

# Summit for Democracy Financial Transparency and Integrity (FTI) Cohort

## *Pledge and Call to Action*

Corruption is a transnational threat that endangers national security, economic prosperity, and democratic resilience and exploits financial systems throughout the world. The abuse of financial secrecy can facilitate corruption by hiding conflicts of interest, concealing kickbacks and embezzlement, and permitting ill-gotten gains to cross national borders and infiltrate foreign economies. This shared challenge requires a coordinated response, and we welcome renewed efforts to implement existing commitments, including those reflected in the United Nations Convention Against Corruption, the Financial Action Task Force (FATF) Standards, the Political Declaration from the UN General Assembly Special Session against Corruption, Summit for Democracy commitments, Open Government Partnership Action Plans, the Extractive Industries Transparency Initiative Standard, and other relevant platforms. Yet, there is still more that should be done to safeguard our societies and financial systems from corruption.

We, the members of the Financial Transparency and Integrity (FTI) Cohort, embrace our unique potential to empower efforts to deny opportunities for proceeds of corruption to be laundered through legitimate economic activities or transferred offshore. Our value lies in uniting governments and changemakers in civil society, academia, the business community, and the media—who play a central role in designing and using mechanisms to identify, prevent, and combat corruption—to promote financial transparency and integrity.

Through the cohort's work during the Year of Action, we have identified the following priority areas where concerted, collaborative action and exchange can catalyze a profound shift toward financial transparency, accountability, integrity, and inclusion to address corruption and protect democratic values:

- Ensuring effective establishment and implementation of beneficial ownership registries or alternate mechanisms, in line with FATF standards, to prevent corrupt actors and their enablers from abusing corporate structures to engage in corruption or launder or move the proceeds of their crimes;
- Countering the misuse of the professional services industries to facilitate, encourage, and enable corruption; and

- Maximizing transparency across the whole cycle of public procurement and associated processes to serve the public interest and minimize opportunities for corrupt rent-seeking, bribe-taking, and other forms of corruption, and ensuring that open procurement systems are buttressed with effective complaint and oversight mechanisms.

To advance these priorities, we, the members of the cohort, encourage other governments, civil society organizations, business leaders, and others engaged in the Summit for Democracy to join us, where applicable, in our pledge to:

- Advance implementation of Summit for Democracy and other commitments on financial transparency and integrity, share information on plans and progress, and consider new ambitious commitments to safeguard our societies from harms resulting from the exploitation of financial secrecy;
- Support one another in the process of undertaking efforts to implement these commitments, including by sharing technical knowledge, providing capacity building, exchanging information and ideas, and disseminating good practices and lessons learned;
- Ensure the durability of anti-corruption reforms by integrating commitments into multilateral and multistakeholder initiatives, where applicable;
- Champion these priorities, encourage cooperation, and promote interoperability of anti-corruption reforms through multistakeholder and intergovernmental platforms;
- Convene regularly to identify and discuss additional emerging topics, provide updates on commitment implementation, and coordinate on practical opportunities and challenges;
- Support the efforts of other democracy cohorts dedicated to anti-corruption and identify areas of mutual interest and concern; and
- Enhance the inclusivity and representativeness of the FTI cohort by welcoming other interested parties to join us for ongoing discussions of beneficial ownership, professional services industries, and procurement after the second Summit, as well as additional topics determined by the cohort to be of relevance and interest.

The work of promoting financial transparency and integrity to counter transnational corruption is truly a global and collective endeavor that requires a critical mass of action across countries and contexts. As such, we, the members of the FTI Cohort, affirm our intent to drive this important agenda and call on others to advance financial transparency and integrity as essential to strengthening democracy and supporting democratic renewal.