



THE SENTRY

WAR CRIMES SHOULDN'T PAY

DATE: The Indian G20 Presidency  
TO: The Sentry  
FROM: September 8, 2023  
SUBJECT: **G20 Leading by Example in the Fight Against Corruption**

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It is essential that G20 leaders continue to lead by example in the fight against corruption, not only by endorsing the work and potentially impactful documents approved at the G20 Anti-Corruption Ministerial Meeting held on August 12, 2023,<sup>1</sup> but also by adopting innovative and hard-hitting policies and legislation that target kleptocratic leaders where it hurts the most—their pockets.

The use of financial tools of pressure such as network sanctions, anti-money laundering measures, and law enforcement action is critically necessary to create leverage for peace and good governance, which are central to economic growth, prosperity, and security. The impact and effectiveness of these tools—when deployed strategically and robustly—is clear and key to tackling corruption, which has been recognized by G20 Ministers as eroding the ability of citizens to trust in their institutions, undermining the rule of law, impeding economic growth, and hindering the ability to implement the United Nations' 17 Sustainable Development Goals.<sup>2</sup>

The G20 should apply financial pressure on those elites who are exploiting the global financial system, as well as on the networks that enable them, thereby limiting their ability to personally profit while stealing from state coffers. G20 leaders must also condemn the egregious acts against populations perpetrated and perpetuated by kleptocratic leaders seeking to line their own pockets.

Only with a strategy focused on the key networks involved in corruption and human rights abuses will the G20 be able to help achieve real accountability and alter the structures that enable corruption and pillage.

The Sentry recommends that the G20 take the following concerted actions:

- ▶ **Condemn worsening crises in conflict zones and signal an intention to adopt accountability measures such as anti-corruption sanctions regimes and a commitment to tackling sanctions evasion in countries where corruption drives conflict and atrocities against civilians, including Azerbaijan, the Democratic Republic of Congo, Libya, and Sudan.** G20 countries that have not yet done so should commit

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<sup>1</sup> Documents include: (1) "High-Level Principles on Strengthening Law Enforcement related International Cooperation and Information Sharing for Combatting Corruption"; (2) "High-Level Principles on Strengthening Asset Recovery Mechanisms for combatting Corruption"; (3) "High-Level Principles on Promoting Integrity and Effectiveness of Public Bodies and Authorities responsible for Preventing and Combatting Corruption"; and (4) "Compendium of Good Practices on Enhancing the Role of Auditing on Tackling Corruption."

G20, "G20 Anti-Corruption Ministerial Meeting: Outcome Document and Chair's Summary," August 12, 2023, available at: [G20 Anti-Corruption Ministerial Meeting ODCS 2023.pdf](#)

<sup>2</sup> G20, "G20 Anti-Corruption Ministerial Meeting: Outcome Document and Chair's Summary," August 12, 2023, available at: [G20 Anti-Corruption Ministerial Meeting ODCS 2023.pdf](#)

to enacting anti-corruption accountability measures, such as developing corruption sanctions regimes and targeted network sanctions where regimes are already in place, against the elites and their enablers looting state coffers and stealing from their own people. They should also commit to closing loopholes and taking punitive action as sanctioned entities and individuals take steps to evade these measures.

- ▶ **Pledge additional resources to help improve the effective implementation and monitoring of anti-money laundering and anti-corruption measures.** This could include (1) a commitment to bolster law enforcement resources available to investigate corruption and related money laundering offenses; (2) the coordinated issuance of country advisories, such as the United States' recent advisory on [South Sudan](#), as well as public notices detailing money laundering and corruption risks for kleptocracies that can assist in sharing vital information across the public and private sectors; (3) a pledge to bolster efforts to improve the supervision of banks and designated non-financial businesses and professions (DNFBPs) and to commit to impact-focused outcomes; and (4) the development of a compendium of good practice in the use of technology and data to make the fight against corruption and financial crime more effective.
- ▶ **Commit to introducing additional transparency requirements—including beneficial ownership disclosures—for state-owned enterprises, military-owned enterprises, and their joint ventures.** The United Nations Office on Drugs and Crime (UNODC) Oslo Statement on Corruption Involving Vast Quantities of Assets recommends that “state-owned or controlled enterprises should disclose their management structures, revenues, expenditures, and profits, and disclosure should be required [to be obtained] of the beneficial ownership of the supplier companies providing services or goods, and the value accrued by public officials or PEPs [politically exposed persons] through contracts to private companies during their tenure at State-owned or controlled enterprises, in line with national legislation” (R4). This requirement should be extended to military-owned enterprises. State-owned enterprises and military-owned enterprises should also be required to maintain and make publicly available their beneficial ownership information.
- ▶ **Prioritize fighting money laundering linked to atrocities.** G20 members should encourage the Financial Action Task Force (FATF) to explore a typologies report on money laundering linked to atrocities, with a particular focus on private military groups, so as to better understand international financial flows and threats. Such a typologies report would serve to protect the integrity of the global financial system and ensure the robust implementation of FATF standards. The G20 should also call on jurisdictions to update legislation to include war crimes as a predicate offense for money laundering, which would trigger all current anti-money laundering requirements applicable to regulated entities and DNFBPs to address the financing of war crimes and atrocities being committed by the Wagner Group.
- ▶ **Encourage the adoption of public-private partnerships, including collaboration with civil society, to address anti-money laundering and countering the financing of terrorism (AML/CFT) and corruption.** Innovative collaboration between the public and private sector is essential. The UNODC Oslo Statement on Corruption Involving Vast Quantities of Assets recommends that “consideration should be given to developing formal and informal mechanisms and encouraging closer public-private sector collaboration to tackle corruption involving VQAs, including by cooperating with civil society to complement the work of governments and the private sector” (R13).
- ▶ **Establish a coalition to counter the malign activities of the mercenary groups wreaking chaos and misery around the world.** The coalition should include G20 members and African states and should focus on four pillars:
  - Countering financing and access to resources through (i) identifying financing methods, networks, and enablers via the sharing of information among coalition members; (ii) forming public-private partnerships to share financial intelligence, including among financial institutions, civil society, and

law enforcement authorities; and (iii) developing targeted measures to create barriers to illicit financial flows

- Countering the access of identified groups to financing and resources through targeted network sanctions and other means of financial pressure
  - Preventing the recruitment and movement of fighters and facilitators across borders and conflict zones
  - Counteracting propaganda by highlighting that the protection offered by these groups comes at a very steep price
- **Protect fragile economies against de-risking.** De-risking remains a major concern for many countries, particularly those subject to greylisting or blacklisting by the FATF. The G20 should request that the FATF continue to address de-risking as an unintended consequence of AML/CFT measures, so as to guard against wholesale de-risking and protect responsible business and employment practices. The G20 should task the FATF to work with civil society coalitions and financial institutions to develop guidance to reduce harm in country. Additionally, G20 countries should call on financial institutions to prevent de-risking and ensure that humanitarian aid organizations and essential sectors of the economy can maintain unhindered access to the international financial system.