

US-led Indo-Pacific Economic Framework to include important governance and anti-corruption provisions

An agreement to foster economic cooperation and supply chain resilience, provide new commitments to counter illicit finance, and promote good governance

A statement from Transparency International U.S.
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Led by the U.S. Department of Commerce, fourteen nations, including Australia, Brunei Darussalam, Fiji, India, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, the United States, and Vietnam issued a joint statement last week on agreements reached on the Indo-Pacific Economic Framework (IPEF). According to the statement, negotiations, which began in May of 2022, have come to a substantial conclusion.

While the full text of the IPEF has not been released, Pillar IV of the agreement, the Fair Economy Agreement, includes commitments to work “together to enhance fairness, inclusiveness, transparency, the rule of law, and accountability in their economies to improve the trade and investment environment in the Indo-Pacific region,” according to the outline released in the joint statement.

Upon release of the joint statement, Transparency International U.S. Executive Director Gary Kalman issued the following statement:

The inclusion of anti-corruption provisions in this framework is an important recognition of the nexus between the promotion of shared economic prosperity and open and transparent governance.

The commitments to fund and enforce anti-bribery and anti-money laundering laws, improve transparency, protect whistleblowers, share financial intelligence to crack down on transnational corruption, and include outside stakeholders in discussions on implementation represent welcome progress in the fight against illicit finance.

While we await the final text, we are encouraged by the stated commitment to monitor progress toward the governance goals. We would strongly urge IPEF

partners to engage civil society and independent stakeholders in the monitoring and evaluation process.

The U.S. government can show its commitment to lead on implementation of several provisions by finalizing anti-money laundering rules for corporate transparency and for due diligence for the real estate and investment sectors, by fully funding the U.S. financial intelligence unit, and by passing the Foreign Extortion Prevention Act, a bipartisan measure that would strengthen U.S. foreign anti-bribery law.

Secret finance and government collusion or inaction have fueled corruption and undermined social and economic progress in all regions of the world. This agreement offers the promise of progress in critical areas that can help to create more responsive and responsible public policies that can in turn lead to inclusive and sustainable economies.

We appreciate the initiative and ongoing efforts of the U.S. Commerce Department. We look forward to seeing the final language and hope to be able to work collaboratively on implementation and monitoring progress.

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[TI US](#) is part of the world's largest coalition against corruption. In collaboration with national chapters in more than 100 countries, we are leading the fight to turn our vision of a world free from corruption into reality.

Related Resources

- Read the Department of Commerce's [Joint Statement](#);
- Read TI US Executive Director Gary Kalman's [testimony](#) to Congress on the Corporate Transparency Act;
- Read TI US's [factsheet](#) on the Foreign Extortion Prevention Act (FEPA);
- Read TI US's [letter](#) to Congress requesting additional funding for FinCEN;
- Read TI US's [comment](#) on a proposal rule to curb illicit finance in the real estate sector;
- Read TI US's [report](#) on money laundering risks in the U.S. private investment market.

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