

An effective asset and interest disclosure system can support integrity, transparency and accountability. Depending on their design, declaration forms can be used either to identify, manage and sanction a conflict of interest by determining, for example, whether a public servant's decision has been compromised by a private interest. They may also be designed to detect illicit enrichment. Information can be collected for both purposes (de Michele and Dassen, 2018). In addition, by making the asset and interest declarations public, the government shows its commitment to transparency and enables accountability by allowing public scrutiny. Comparative empirical evidence has demonstrated the positive effect that a system of declarations can have on a country's ability to control corruption (Vargas and Schlutz, 2016).

Verifying the accuracy of public officials' declarations is necessary to ensure that declarations are a useful tool to detect conflict of interest and/or illicit enrichment. If public officials perceive that declarations are not verified, the disclosure system will likely end up as a "tick the box" activity, which undermines confidence in the government's commitment to the integrity system (OECD, 2017).

All LAC countries, with the exception of Uruguay, cross-check data from the declarations with other databases. Business registers, vehicle registers, previous asset declarations and land registers are the most used ones. Six countries also cross-check with civil registers and another six compare declarations with data from bank accounts. Other sources, such as tax declarations, public foreign databases and data from financial intelligence units are less common. Triangulating data automatically strengthens the verification process as a higher number of declarations can be scrutinised. However, only Argentina, Chile and Peru perform some automatic checks, and among these, only Chile does so for more than one database.

The robustness of the asset and interest disclosure system depends on specifically defining who must disclose and the type of information required, both based on an at-risk approach and taking into account the system's overall objective. This robustness also depends on making as much data as possible public (except for confidential data, such as bank account information), on ensuring effective verification and sanction mechanisms and on having follow-up mechanisms and guidance in place to manage conflicts of interest (if that is the objective of the system), among others.

Following the results of the *Index of Robustness of the Asset and Interest Disclosure System*, Latin American countries score on average 0.60 out of 1.00 points, with 1.00 being a highly robust system. There are large variations, with Argentina (0.81), Mexico (0.78) and Chile (0.77) obtaining high scores and Honduras and Paraguay obtaining 0.42 and 0.43 respectively. In the first three, declarations are made public, checked for internal inconsistencies, and

triangulated with other databases. There is also guidance on how to manage conflict-of-interest situations. On the contrary, in Honduras, declarations are not public and information is only submitted in paper format, which inhibits their processing and verification. Similarly, in Paraguay declarations are not public and are submitted only at the beginning and at the end of the appointment. This hinders the detection of illicit changes in wealth or conflict of interest.

### Methodology and definitions

Data are drawn from the 2018 OECD Questionnaire on Public Integrity in Latin America and cover 12 countries. Respondents were predominantly senior officials in central government, supreme audit institutions and electoral commissions.

The *Index of Robustness of the Asset and Interest Disclosure System* measures the scope of regulations on asset declarations and disclosure of conflicts of interests. It ranges from 0 (lowest) to 1 (highest). The total score is the weighted (based on expert assessments) aggregation of five components: *verification and enforcement* (37%), *reach* (20%), *system design* (16%), *transparency* (15%), and *prevention of conflicts of interest* (12%).

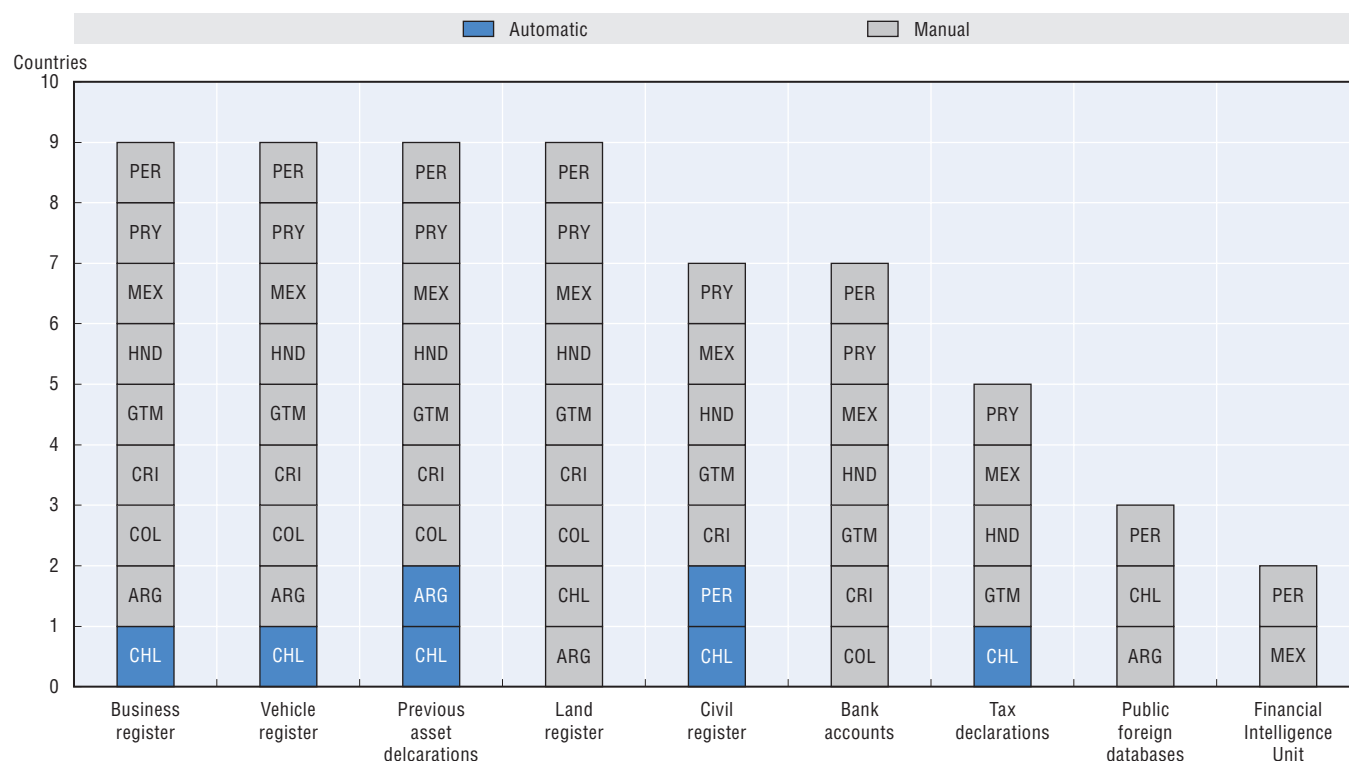
*Verification and enforcement* gauges whether the information in declarations is verified and how, and the existence of sanctions. *Reach* considers the categories of public officials that are required to submit asset and interest declarations, when and what information must be disclosed. *System design* includes the degree of digitalisation of the system, among others. *Transparency* captures whether the declarations are made publically available and *prevention of conflicts of interest* considers the efforts to detect conflicts of interest and how these are handled.

For information on the methodology see Annex E.

### Further reading

- De Michele, R. and N. Dassen (2018), "Conflicto de intereses: Desafíos y oportunidades para implementar un sistema efectivo de prevención y control", *Discussion Paper No. IDB-DP-626*, <http://dx.doi.org/10.18235/0001362>.
- OECD (2017), *OECD Integrity Review of Mexico: Taking a Stronger Stance Against Corruption*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264273207-en>.
- Vargas, G and D. Schultz (2016), *Opening Public Officials' Coffers: A Quantitative Analysis of the Impact of the Financial Disclosure Regulation on National Corruption Levels*, Hertie School of Governance, Berlin.

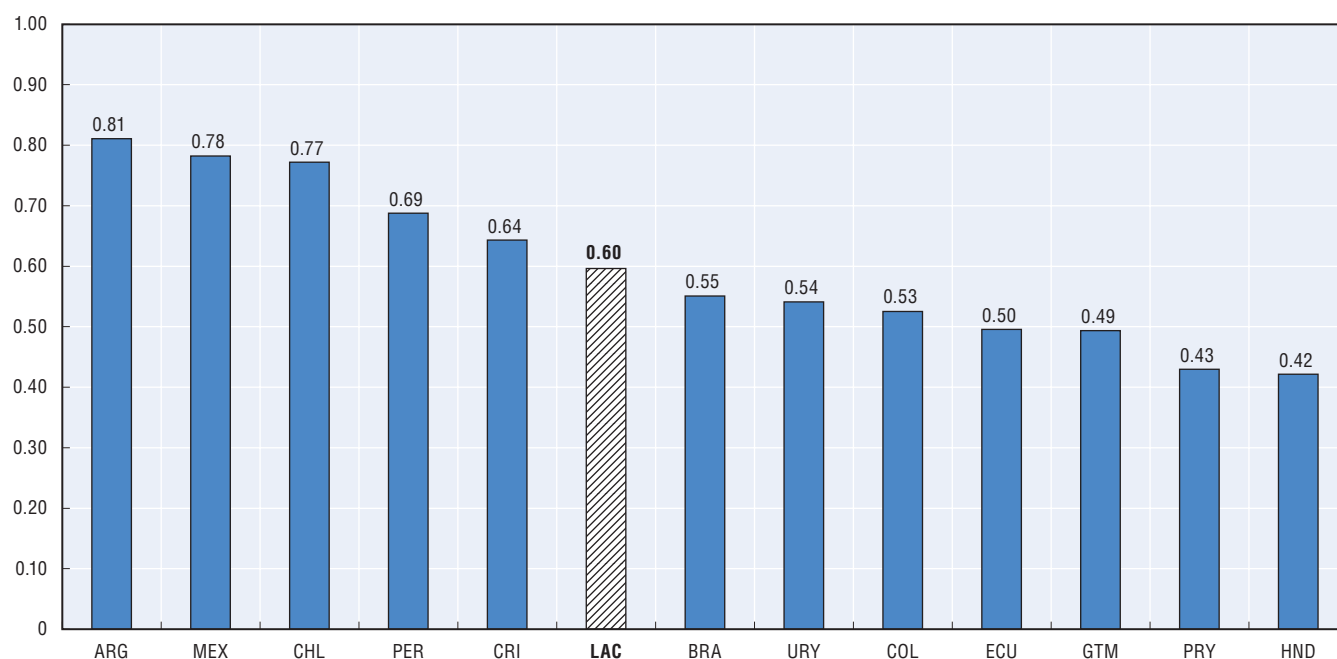
## 9.6. Cross-checks of asset declarations with other databases, 2018



Source: OECD (2018) OECD Questionnaire on Public Integrity in Latin America

StatLink <https://doi.org/10.1787/888934093006>

## 9.7. Robustness of the Asset and Interest Disclosure System, 2018



Source: ECD (2018) OECD Questionnaire on Public Integrity in Latin America.

StatLink <https://doi.org/10.1787/888934093025>



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