

TRANSPARENCY DISPATCH

MAY 2026

Welcome to the Luxembourg for Transparency (L4T) newsletter!

We're a newly established nonprofit (asbl) based in Luxembourg, working independently — without partisan, ideological, religious, or commercial ties. What brings us together is a simple belief: Luxembourg's future is stronger when transparency and integrity are the rule, not the exception.

Our goals include:

- *Promoting transparency and integrity across Luxembourg's public and private sectors*
- *Raising awareness about the detrimental effects of corruption through public education, campaigns, publications, and events*
- *Producing and disseminating research and practical tools that strengthen Luxembourg's efforts in preventing and combating corruption*
- *Collaborating closely with partners—from civil society and professionals to public institutions—who share our vision of a just, corruption-free world.*

Each month, we'll share key developments on corruption, integrity, accountability and governance in Luxembourg and beyond: what's changing, what's missing, and where pressure or reform is most needed. You'll also find research insights and updates on our activities and collaborations with civil society, professionals, and public institutions.

If you care about how power is used, how public decisions are made, and how we can do better, this newsletter is for you.

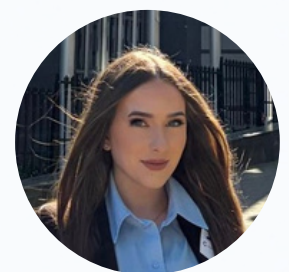
Contact us: newsletter@l4t.lu

Photo by [Franck Ridel](#) on [Unsplash](#)

Newsletter Team



Elifsu Yigit
Graduate Associate



Sibel Kocak
Graduate Associate



ADVANCING INTEGRITY FOR A JUST FUTURE
D'INTEGRITÉIT FÉRDEREN FIR ENG GERECHT ZUKUNFT
PROMOUVOIR L'INTÉGRITÉ POUR UN AVENIR JUSTE
INTEGRITÄT FÖRDERN FÜR EINE GERECHTE ZUKUNFT

1. CORPORATE STEWARDSHIP AND TRANSPARENCY: THE ARCELORMITTAL ENVIRONMENTAL FINE

ArcelorMittal's recent guilty plea and record C\$100 million (€62.5 million) fine for eight years of heavy metal and acidic compound leakage into Quebec's waterways highlights significant environmental impacts and raises important questions about transparency. The judicial resolution addresses the toxic discharge of zinc and nickel into critical salmon habitats, illustrating a sustained period where industrial output was prioritised over environmental preservation and public trust. This case serves as a high-profile example of the risks associated with prioritised production in the absence of robust, transparent oversight mechanisms.

Concerns about accountability are reinforced by a documented pattern of weak disclosure and regulatory non-compliance. According to the Canadian Environmental Offenders Registry, ArcelorMittal officials failed to fully disclose the extent of their polluting practices; and in 2024 the company was sanctioned for withholding essential documents from environmental authorities for three months. These incidents suggest an internal culture that favours opacity over transparency, reducing the effectiveness of institutional oversight and allowing environmentally harmful practices to continue over an extended period. They also suggest that structural opacity within the subsidiary may have limited regulatory accountability for nearly a decade.

Additionally, these sanctions contrast strikingly with the company's immense financial capacity. While Mapi Mobwano, CEO of ArcelorMittal Mining Canada, asserts a commitment to environmental performance supported by a C\$400 million (€250 million) investment, the record fine represents a fraction of the group's \$3.2 billion profit reported in 2025.

This disparity suggests that such penalties may be absorbed as a marginal cost of doing business rather than a sufficient enough deterrent to catalyze deep-seated practice change.

Ultimately, the true measure of ArcelorMittal's commitment to stewardship will be evaluated by its adherence to the court-mandated February 2027 deadline for a comprehensive pollution prevention plan.

For a global leader headquartered in Luxembourg, navigating this crisis requires a definitive shift away from financial settlements towards meaningful transparency that aims to rebuild public trust and protect the environment. The resolution of the Quebec case demonstrates that authentic accountability remains contingent upon the alignment of operational strategies with ethical stewardship to safeguard long-term institutional integrity.

2. PROCEDURAL STAGNATION: THE UNIVERSITY GOVERNANCE AUDIT AT A CROSSROADS

From an anti-corruption and oversight perspective, the recent failure of the government's initial tender for a University of Luxembourg audit represents a significant oversight gap. Despite inviting 12 potential suppliers, the process yielded zero bids, effectively creating a transparency vacuum as critical questions regarding institutional independence and decision-taking procedures remain unanswered.

While the Ministry of Higher Education has since doubled the budget to €212,000 and extended the timeline into early 2027, the revised scope, which now only covers 2022 to 2025, risks overlooking the long-term structural issues present since the 2018 legislative update.

This administrative delay is especially worrying given the institution's governance, which professors who spoke to the Luxembourg Times describe as autocratic and opaque. Their critique highlights weak checks and balances: faculty councils lack real authority over the executive and function more as advisory bodies than democratic counterweights.

To protect long-term institutional integrity, the university must move beyond reactive, belated reviews and tackle the democratic deficit created by concentrated top-down power. The Board of Governors—mainly external appointees rather than elected staff—selects the rector and faculty deans, leaving internal bodies like faculty councils with only advisory roles and no real oversight.

Restoring public trust requires treating the audit as a mandatory tool for closing the accountability gap, not a mere procedural formality; it must resolve years of unaddressed mismanagement claims.

3. POLITICAL TRANSPARENCY: GERMANY'S AfD Donation Inquiry

Legal proceedings in Berlin over a suspected illegal €2.35 million donation to the Alternative for Germany (AfD) party have highlighted major systematic weaknesses in political finance Transparency International Germany says.

The case exposes glaring gaps in oversight of political contributions and the risk that opaque funding can unduly influence democratic governance. Moritz Neujeffski, Policy and Advocacy Officer at Transparency International Germany, argues the investigation reveals serious failures in donation monitoring and calls for a fundamental rethink of how political influence is regulated.

To reduce these risks and strengthen accountability, Transparency International Germany proposes:

- tighter documentation requirements for all parties;
- substantially more staff and resources for the Bundestag administration to investigate indirect and "compliance" donations;
- a cap on individual donations of €50,000; and
- a lower reporting threshold of €2,000 so smaller, cumulative contributions are visible.

The outcome of this inquiry is a pivotal moment for reforming Germany's political-finance framework.

While the German proposals address gaps at home, they are directly relevant to Luxembourg, where public concern about business-politics links is high and key reviews show important weaknesses. The 2026 OECD Anti-Corruption & Integrity Outlook finds Luxembourg meets only 60% of regulatory criteria on political finance and 57% on practice (versus OECD averages of 76% and 58%), noting that the 2007 Law Regulating the Financing of Political Parties requires campaign reporting, public disclosure and bans anonymous and foreign/state-owned enterprise donations, but leaves no ceilings on campaign spending, no explicit ban on use of public resources for/against parties, and sanctions that are not clearly proportionate.

European Public Accountability Mechanism (EUROPAM)'s review complements this picture: the Financing of Political Parties Act (2007, amended 2011) and the Election Law (2003, amended 2015) require annual public accounts overseen by the Court of Accounts and ban corporate, union and anonymous donations, yet permit unlimited donation amounts, allow public funding to be used for campaign and ongoing party activity (including indirect support such as postage), and impose few spending limits or prohibitions on state-resource use; sanctions focus on loss of public funding, forfeiture and criminal penalties.

Taken together, these findings strengthen the case for definitive donation caps, lower reporting thresholds, expanded disclosure of in-kind and third-party support, and greater resourcing for oversight to align Luxembourg with OECD best practice and strengthen democratic resilience.

4. PARLIAMENTARY IMMUNITY OR IMPUNITY? THE CASE OF ANGELIKA NIEBLER AND THE EPPO

The European Parliament has sparked a significant debate regarding institutional accountability following its decision to reject a request to lift the parliamentary immunity of Angelika Niebler, a prominent Brussels veteran and head of Germany's Christian Social Union (CSU) delegation.

This move, backed by 309 MEPs, effectively halts an investigation by the European Public Prosecutor's Office (EPPO) into the alleged misuse of public funds.

From a transparency perspective, this case illustrates the growing tension between the legal protections afforded to elected officials and the mandate of independent oversight bodies to investigate financial malfeasance.

The allegations against Niebler, who has led the CSU delegation within the European People's Party (EPP) since 1999, involve the wrongful claim of travel costs and the improper use of parliamentary staff for tasks unrelated to official duties. Specifically, sources indicate that an assistant paid through her office was allegedly working for a former MEP from the same party.

While Niebler denies any wrongdoing, the Legal Affairs Committee (JURI) recommended against waiving her immunity, citing "serious doubts" about the motives behind the case and suggesting it might be "politically motivated" to damage her reputation.

However, the use of a secret ballot for the final vote has drawn criticism from transparency advocates, with one EPP insider noting that Niebler "played it quite smart promising transparency" while securing a protective majority.

This move reflects a wider trend of politicising immunity cases in the European Parliament. By shielding members from legal action, the institution risks entrenching a "discretion-first" culture that weakens the EPPO and national prosecutors. The Parliament has repeatedly pushed back against anti-corruption probes, including those led by Belgian prosecutors, often claiming investigative requests are insufficiently substantiated.

The Niebler case ultimately shows that without a more transparent and objective framework for handling immunity, efforts to safeguard financial integrity at the EU's core will remain vulnerable to internal political manoeuvring and institutional solidarity.

5. TRANSNATIONAL ACCOUNTABILITY AND THE EXTRADITION OF FORMER JUSTICE MINISTER ZBIGNIEW ZIOBRO

The bid to extradite former Polish Justice Minister **Zbigniew Ziobro's** from the United States is a high-profile test of international anti-corruption norms and judicial cooperation.

Ziobro, who led Poland's controversial judicial reforms, faces charges including abuse of power and heading an organized criminal group; prosecutors allege he siphoned funds meant for victims of violence to buy Pegasus spyware to surveil political opponents, exposing a major accountability gap in discretionary state spending.

His irregular transit — reportedly involving revoked passports and claims that Donald Trump intervened to secure a U.S. visa — highlights structural opacity and a “discretion-first” practice that can permit political protections to override standard legal and diplomatic safeguards. The extradition outcome will indicate whether transnational justice can withstand partisan alliances.

Recent shifts, such as Hungary's pledge not to shelter wanted individuals, show political protection can be fluid. The Ziobro case necessitates a firm commitment to legally-compliant accountability, ensuring that the pursuit of justice remains independent of political stature or geographic relocation.

6. THE EU'S PUBLIC CONSULTATION FOR INAUGURAL ANTI-CORRUPTION STRATEGY

The official European Union account EU Rights on LinkedIn has announced the launch of a public consultation and a call for evidence to delineate the framework for the first-ever EU Anti-Corruption Strategy.

The initiative stems from the recognition that corruption erodes public trust, weakens the rule of law and distorts markets — with estimated costs to the European economy of up to €990 billion annually. By soliciting stakeholder input, the Commission aims to modernize its response to financial wrongdoing and bolster the integrity of democratic institutions.

The proposed strategy seeks to go beyond existing rules by promoting a culture of integrity and strengthening prevention, detection and enforcement mechanisms. EU Rights' data underline a gap between EU standards and citizens' experience: 69% of EU citizens and 63% of EU companies perceive corruption as widespread, while the Special Eurobarometer 561 shows Luxembourg's overall figure at 52%. Yet local concerns are sharper on private-sector risk: 43% of Luxembourg residents see corruption as widespread in private companies (vs. 31% EU average), and 69% point to problematic closeness between business and politics. These findings suggest the Grand Duchy's priority should be to address vulnerabilities at the public-private interface rather than only broad perceptions.

A core plank of the draft EU strategy is to strengthen civil-society roles in investigation and oversight, reflecting the view that institutional tools work best when complemented by independent observers and private-sector engagement. The strategy's success will depend on converting broad objectives into concrete protections for public resources and businesses.

Stakeholders and experts may submit evidence until 6 July 2026; contributions will help determine the final architecture of the EU's collective response to systemic corruption.

7. UPHOLDING TRANSPARENCY: THE CJEU DECISION ON BENEFICIAL OWNERSHIP

On May 21, 2026, the Court of Justice of the European Union (CJEU) delivered its [judgment in Joined Cases C-684/24 \(Across Fiduciaria and Others\) and C-685/24 \(Unione Fiduciaria and Others\)](#), providing a definitive interpretation of the 4th Anti-Money Laundering Directive (Directive (EU) 2015/849, as amended).

The Court affirmed that public access to information regarding the beneficial ownership of trusts and similar legal arrangements is compatible with the Charter of Fundamental Rights of the European Union, provided that a legitimate interest is demonstrated. This ruling reinforces the legal principle that the prevention of money laundering and terrorist financing constitutes a legitimate and important objective of the Union, justifying proportionate limitations on the rights to privacy and data protection under Articles 7 and 8 of the Charter.

A central achievement of the judgment is the application of a functional approach to transparency, which effectively dismantles structural opacity within complex financial instruments. The Court [held that the Italian legislature](#) did not exceed its discretion by categorising trust mandates "[mandato fiduciario](#)", which are agreements where a trustee manages assets without holding a formal legal title, as "other types of legal arrangements" similar to trusts.

Crucially, the CJEU clarified that the absence of a formal transfer of property does not preclude these arrangements from being subject to the same disclosure obligations as traditional trusts. This ensures that the scope of regulatory oversight is determined by the actual structure and function of an entity rather than its formal legal nomenclature.

Furthermore, the Court addressed the procedural framework for exemptions from access, which are permitted only in exceptional cases where disclosure would expose a beneficial owner to disproportionate risk, such as kidnapping, fraud, or violence. While the Court ruled that non-judicial administrative bodies, such as chambers of commerce, may adjudicate these exemptions, it mandated that beneficial owners must have access to interim legal protection if an exemption is denied. This requirement prevents a discretion-first institutional culture by ensuring that administrative decisions remain subject to judicial rigour.

[Transparency International](#) has characterised this judgment as a pivotal signal for the global community to move toward a transparency-first infrastructure.

By providing a clear legal pathway to unblock beneficial ownership registers, the ruling empowers civil society and law enforcement to more effectively monitor corruption and financial crime. Ultimately, this decision ensures that the European legal framework remains a robust tool for dismantling the mechanisms used to obscure the origins of illicit wealth.

8. OPEN GOVERNANCE IN LUXEMBOURG: STRATEGIC INSIGHTS FROM THE L4T WEBINAR

During Open Gov Week, Luxembourg for Transparency (L4T), in partnership with [ETICC](#), hosted the webinar "[Luxembourg & the Future of Open Governance](#)" to evaluate the Grand Duchy's trajectory following its 2023 withdrawal from the Open Government Partnership (OGP).

Moderated by Dr. Leena Hoffmann, co-founder of Luxembourg for Transparency, the panel of five experts examined how Luxembourg's open-government strategy can move beyond digital access to deliver real institutional accountability.

Key insights:

Technical Frontiers and Data Utility

Jamison Henninger of Open Data Watch explained that for government data to generate public value, it must be findable, trusted, and reusable. While [Luxembourg's Open Data Inventory \(ODIN\) score improved to 65 in 2024](#), its coverage score remains lower at 54, indicating significant gaps in health, environmental, and subnational data.

Henninger identified incomplete metadata as a primary barrier to transparency and urged for standardized data practices across all ministries to ensure a predictable user experience.

Institutionalising Participation and Overcoming Resistance

The discourse highlighted a shift toward deliberative democracy, exemplified by recent experiments with citizen assemblies.

Dr. Emilien Paulis of the University of Luxembourg argued for the permanent [institutionalisation of these bodies](#) to depoliticise complex issues. However, this evolution faces political headwinds; notably, a 2026 proposal for permanent assemblies was rejected by the government in favour of parliamentary exclusivity. Dr. Paulis highlighted citizen assemblies as highly promising models for increasing public participation in Luxembourg's linguistically diverse population.

To support these efforts, Paul Braithwaite of the OGP suggested that Luxembourg continue leveraging OGP resource frameworks, such as the [Open Gov Guide](#), to foster public trust through co-creation, regardless of its membership status.

Systemic Barriers to Accountability

From an oversight perspective, Sana Hadžić-Babačić of ETICC noted that collaboration has become more difficult post-OGP, warning that public engagement often fails when reduced to mere consultation rather than impactful co-creation.

Furthermore, Professor Anamarija Musa of the University of Zagreb identified a trend of transparency backsliding, where the GDPR is occasionally used by authorities to refuse legitimate information requests. She advocated for independent oversight and a cultural shift to overcome the fear of exposure within public administrations.

Concluding Strategic Imperatives

The session concluded that the future of open governance in Luxembourg requires more than technical modernisation; it demands the political will to institutionalise power-sharing and secure sustainable funding for civil society to act as independent observers.

Ultimately, the transition toward a truly inclusive democracy depends on moving beyond consultative gestures toward authentic, measurable accountability.

Driven by the view that integrity begins with the individual, she is passionate about analysing and synthesising reports to convert research into actionable reforms. Carmen is developing an evaluation of successive assessments of Luxembourg by the Council of Europe's GRECO, which we will release this month.

9. L4T'S SPOTLIGHT CARMEN BERMEJO HERRERO



Carmen Bermejo Herrero is a Founding Member and Policy Lead at Luxembourg for Transparency and a Subject Matter Expert in Compliance at TMF Luxembourg S.A., where she leads implementation of the EU 6th AML Package to embed genuine accountability beyond formal compliance.

With over a decade in international finance, she specialises in AML/CFT, risk management and practical measures to protect whistleblowers and strengthen institutional integrity.