

## Oral statement

### **Fifth session of the Open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights (OEIGWG)**

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Fifth session - OEIGWG: Item 4, Plenary Discussion – Article 3. Scope

Tuesday 15 October 2019

Thank you, Mr. Chair-Rapporteur,

Because unfortunately every day, individuals and groups see their human rights abused by *all kinds of companies* and not only transnational corporations, FIDH welcomes the amendments to broaden the scope of the treaty. We rest convinced that affirming the responsibility of all businesses to respect human rights in a legally binding instrument is both a necessity to advance international law and to reflect realities on the ground.

However, it is also paramount for the text to keep a particular focus on setting standards and processes that will *specifically prevent businesses of transnational character* from escaping accountability for their human rights impacts. It is indeed a particular challenge to hold transnational businesses accountable given, on the one hand, the complexity of their structure, and on the other, the fact that they operate across borders in different jurisdictions and in a great diversity of legal systems and levels of enforcement.

In this respect, beyond article 3.1, the future instrument needs to take effectively into account the role played by parent companies when human rights violations occur in global supply and value chains. It is indeed essential that provisions of the text such as those on jurisdiction, applicable law, international cooperation, prevention and liability be specifically designed to better protect human rights violations in this context and avoid parent companies from escaping accountability.

For this reason, we consider particularly important to include a rebuttable *presumption of effective control by the parent company* when it has direct or indirect ownership or controlling interest over the entities part of a group. We will develop this point in a later statement.

Finally, the future instrument should also ensure to include in its scope financial relationships and online companies.

Thank you.