



# Making central beneficial ownership registers public

Policy Briefing

May 2021

**Overview** 2

**Public beneficial ownership data user groups** 5

Government users 5

Private sector users 6

Civil society 8

**Considerations for implementers** 12

Centralised registers 12

Data accessibility and usability 13

Establishing a legal basis 14

Mitigating potential negative effects of public access 17

**Conclusion** 20



# Overview

The question of whether data should be made open and accessible to the public, and the concerns about personal privacy and security risks to individuals, are some of the most debated issues in beneficial ownership (BO) reform. These are important, connected issues that need careful consideration by implementers. As beneficial ownership transparency (BOT) is a relatively new policy area, there is not yet a large body of evidence on the impact of making registers public. Nevertheless, where public registers have been implemented, early evidence is emerging and specific benefits of making BO data publicly available can be identified.

The publication and public access to certain personal data, such as electoral registers<sup>1</sup> and building permits,<sup>2</sup> is long established and is, for the most part, considered to be uncontroversial. The publication of BO data, however, has raised significant concerns over privacy. Some have questioned its proportionality to achieving certain policy aims, stating, for instance, that most business owners have nothing to do with financial crime. Others raise concerns over risks to personal safety. This is despite the fact that in many places, shareholder data is already publicly accessible (sometimes against a small fee) meaning BOT reforms would only affect individuals involved in more complex, and potentially suspicious, ownership structures. At the same time, no examples of serious harms that have arisen from the publication of BO data in open registers have been documented.<sup>3</sup>

Over 100 jurisdictions have committed to implementing BOT reforms, and over 40 of those committed in 2020.<sup>4</sup> These reforms are taking place in a global context where data about people is created online every day, at a rate which many regulators are still grappling with. In the EU, for example, the directive that obligated all member states to make their BO registers public, the fifth Anti-Money Laundering Directive (AMLD5), was passed in the same year that the EU's most extensive data protection legislation to date, the General Data Protection Regulation (GDPR), became enforceable. A few court cases against the

publication of personal data in BO registers on the grounds of GDPR have followed. It is important that this is being tested in the courts, and their outcomes will no doubt have a profound impact on the debate. In other countries, such as Mexico, there are concerns for kidnapping and personal safety. These need to be assessed and understood.

The publication of any data, personal or otherwise, as part of BO disclosures has some known consequences as well as some potentially unknown consequences. BO data is different from many other datasets being made open, such as contracting data, as it must contain personally identifiable information to be useful and achieve its purpose. Implementers and transparency advocates should not advocate for information to be made public without carefully considering the potential risks, and how these can be mitigated in specific contexts.

Consequently, this policy briefing does not take the position that making BO registers public is a goal that all jurisdictions must pursue in and of itself. Rather, it outlines the benefits that arise from making a BO register public by looking at how different user groups are able to use the data when it is made public, and **identifying the benefits** this has.

## 1. For **government users**, benefits include:

- ✓ improving speed and ease of access for existing government users;
- ✓ enabling data to be used in additional policy areas;
- ✓ allowing for oversight of data use.

## 2. For **private sector users**, benefits include:

- ✓ managing risk and improving compliance with government regulations;
- ✓ fostering trust in the integrity of the business environment;
- ✓ leveling the playing field between companies;
- ✓ improving environmental and social governance (ESG);
- ✓ generating economic value from data reuse.



### 3. For **civil society users**, benefits include:

- ✔ carrying out investigations into financial crimes and corruption;
- ✔ allowing for oversight and holding government to account;
- ✔ verifying data through use;
- ✔ deterring misuse of legal entities.

This briefing argues that there is sufficient evidence for it to be reasonable and rational for policymakers to act on the understanding that a public register will serve the public interest. As most public registers have been implemented in Europe, most examples are taken from European countries. Nevertheless, the benefits are also applicable to other contexts. Potential negative effects will differ per jurisdiction and need to be properly understood.

The briefing then outlines and analyses different **considerations for implementers**, such as:

- collating BO data **centrally**;
- making data available as structured, open data: **accessible and usable** without barriers such as payment, identification, registration requirements, collection of data about users of the register, or restrictive licensing, and searchable by both company and beneficial owner;
- establishing a **legal basis** and defining broad a purpose for publishing data, in keeping with data protection and privacy laws;
- **mitigating potential negative effects** of publication by:
  - limiting the information collected to what is strictly necessary (**data minimisation**);
  - making a smaller subset available to the public than to domestic authorities, omitting data fields that are particularly sensitive and unnecessary to generating the benefits (**layered access**);
  - implementing a **protection regime** that allows for exemptions to publication in circumstances where someone is exposed to disproportionate risks.

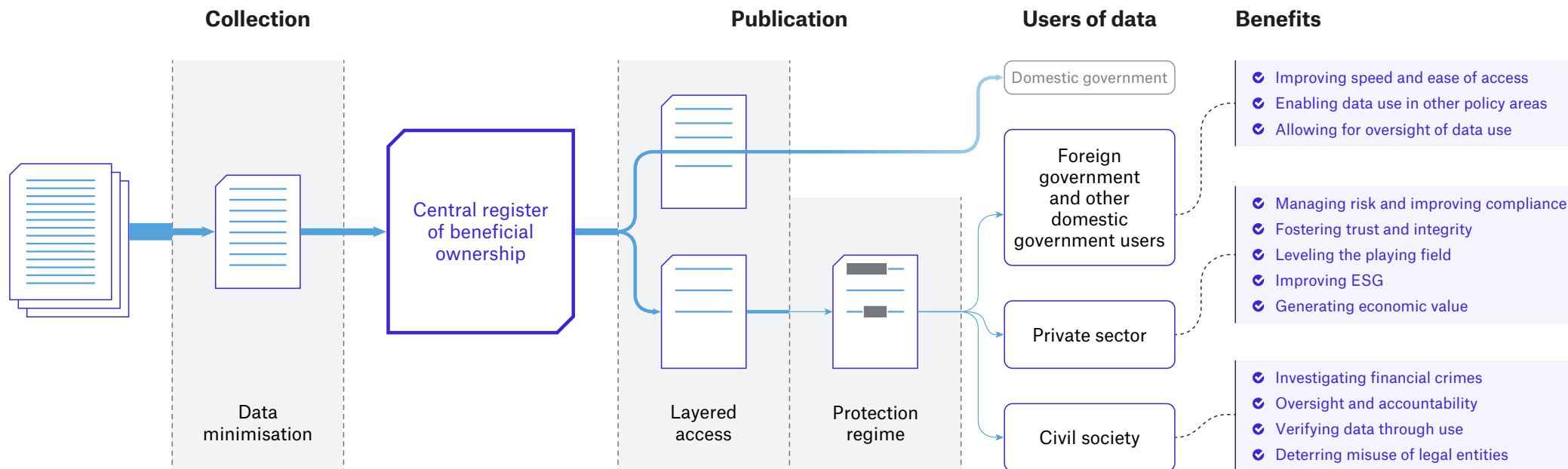
The starting point for all BOT reforms should be the policy aims governments want to achieve.<sup>a</sup> To what extent making data public is reasonable, proportionate, and justified will differ per policy area. BOT, when implemented well, can serve a wide range of policy aims. The more policy aims BOT serves, the greater the benefits to society. Therefore, this briefing will take a holistic approach and focus on data use and user groups, whilst referring to individual policy aims.

---

<sup>a</sup> Common aims include fighting money laundering, financial crimes, and corruption, as well as attracting (foreign) investment. An increasing number of governments are also pursuing BOT reforms for oversight and accountability in procurement, and AMLD5 specifically mentions preserving trust in the integrity of business transactions and the financial system.



**Figure 1. Maximising benefits and mitigating potential negative effects of making central BO registers public**



Making BO registers public provides access to government ([page 5](#)), private sector ([page 6](#)) and civil society ([page 8](#)) user groups that generate a range of benefits contributing to various policy areas.

When making BO registers public, governments should:

- collate BO data centrally ([page 12](#));
- make data accessible and usable ([page 13](#));
- establish a well-founded legal basis ([page 15](#));
- mitigate potential negative effects by:
  - adhering to the principle of data minimisation ([page 17](#));
  - implementing a system of layered access ([page 17](#));
  - implementing a protection regime ([page 19](#)).



# Public beneficial ownership data user groups

Making BO data public gives access to a number of user groups which either do not have access to the data in regimes with non-public registers, or which can only access the data with legal, administrative, or financial barriers. These can broadly be classified in the following main groups:

1. **government users**, including law enforcement and relevant, competent authorities from other jurisdictions, as well as different departments within the publishing government;
2. **private sector users**, including companies that are obliged entities under anti-money laundering (AML) legislation, non-obliged entities, and BO data providers and reusers;
3. **civil society**, including journalists, researchers, and the general public.

The following section outlines potential benefits to the public interest from each of these user groups' interactions with BO data.

## Government users

### Law enforcement and other relevant competent authorities

Whilst law enforcement and other competent authorities (e.g. tax agencies) usually have access to national BO data in regimes with closed registers, they are also a key user group of public BO data in other countries. The majority of financial crimes involve more than one jurisdiction.<sup>5</sup> Data on mutual legal assistance (MLA) requests varies, but several Financial Action Task Force (FATF) evaluations and conversations Open Ownership (OO) has had with law enforcement suggest these tend to be long, drawn out processes. A Transparency International (TI) review of FATF mutual evaluation reports found that “competent authorities report greater challenges to identifying the beneficial owner of a company when a foreign company is involved or part of the ownership structure of a domestic

company is foreign. In the absence of public BO registers, they usually have to resort to complex and lengthy [MLA] requests” (see [Box 1](#)), which cost substantial resources to both submit and respond to.<sup>6</sup> Comparative legal disadvantages between countries can also be a problem to successful MLA requests. For instance, in requests between common law and civil law countries, where judges and lawyers may not understand the offence or case that is being built and the request for information.

#### Box 1: Mutual legal assistances in Financial Action Task Force mutual evaluations

In 2016, the FATF evaluation of Canada stated that in investigations involving a foreign entity it was often not possible to identify a beneficial owner, and that this was due “mainly to foreign jurisdictions not responding to requests by the Canadian authorities for beneficial ownership information.”<sup>7</sup> In 2018, the Ghana evaluation also quoted delays and the non-cooperative attitude of some countries.<sup>8</sup> A Hong Kong evaluation showed responding to an MLA request could take a year.<sup>9</sup> These evaluations identify several problems for law enforcement when seeking to obtain BO data from a foreign jurisdiction, including: data not being available;<sup>10</sup> data being of questionable quality;<sup>11</sup> data not being internationally shareable;<sup>12</sup> and other legal and bureaucratic barriers.<sup>13</sup>

As a result, a number of informal information exchange mechanisms have emerged, such as the Egmont Group. In conversations with OO, law enforcement officers have stated that public BO registers are an incredibly important and valuable resource in investigations. Although BO data from registers may not be evidence that is admissible in court, and even if the data is not 100% accurate, having the name of someone who bears some level of “real



responsibility” towards a company is incredibly helpful in transnational investigations, one investigator said.<sup>14</sup> “From the perspective of law enforcement agencies, there is a need to have direct, fast, and easy access to such registers,” an Interpol specialist officer said. “Cross-border police-to-police requests or the preparation and processing of judicial letters and requests can be very time and resource consuming.”<sup>15</sup> Additionally, successful MLA requests often require some level of evidence of why accessing that information is necessary. Having direct access to registers enables proactive investigations. In the absence of a perfect global infrastructure for sharing BO data transnationally, public registers can enable direct, fast, and easy access, for not only reactive but also proactive investigations.

### Other government users

One of the key consumers of open data made public by governments are governments themselves.<sup>16</sup> There are examples of both demand for and use of BO data by a range of different government agencies. Data sharing between government departments is often marred by technical and legal challenges,<sup>17</sup> and making data open is one way to surmount these. The UK, for instance, has proposed the incorporation of BO data into a new procurement system.<sup>18</sup> On the legal basis that BO data serves the public interest, it exists as public data,<sup>19</sup> which will allow the UK procurement authority to use this data without needing to establish a new legal basis, and developing technically complex data sharing mechanisms. Some concerns have been voiced about BO data being misused by other government departments. For instance, in Armenia, media companies voiced concerns about BO disclosures facilitating interference and being used to limit press freedom.<sup>20</sup> In this case, public access could allow for public oversight of the use of data.

### Box 2: Beneficial ownership data in tax policymaking

In the UK, the Wealth Tax Commission was established in early 2020 to provide in-depth analysis of proposals for a UK wealth tax. The commission studied whether a UK wealth tax is desirable and deliverable, and worked with economists, lawyers, and accountants to study all aspects of a wealth tax. As one of the authors states, “[BO] data are critical for policy making. At the Wealth Tax Commission we made use of these data as part of our measurement of taxable top wealth in the UK.”<sup>21</sup> The report provides recommendations to governments on the merits and practicalities of different types of wealth tax, and models and estimates of how much a wealth tax could raise.<sup>22</sup>

## Private sector users

### Obligated entities

Under many disclosure regimes with closed central registers, obliged entities such as financial institutions (FIs) and designated non-financial businesses and professions (DNFBPs) (e.g. accountants and lawyers) that fall under know your customer (KYC) legislation are able to access BO data.<sup>b</sup> However, not all countries include access for FIs and DNFBPs in regimes with closed registers,<sup>c</sup> and in countries that do, access to BO data for entities outside the jurisdiction can still be very challenging. Therefore, until a system works perfectly, public registers offer better access for obliged entities than closed registers.

### Non-obliged entities

BO data does not only have value for obliged entities, but also helps any company manage risk by establishing with whom they are conducting business. In 2016, 91% of executives surveyed agreed that it is important to know the BO of the company with which they do business.<sup>23</sup> A survey of Chief Supply Chain Officers found that 84% cite lack of visibility across the supply chain as their biggest challenge, and found that “most companies are virtually blind to the 80% of data that is dark or unstructured.”<sup>24</sup> Upstream supply chain visibility, including the BO of companies throughout

<sup>b</sup> For example, access for FIs and DNFBPs is a provision under AMLD5.

<sup>c</sup> For example, trends in Asia, Africa, Middle East, and Latin America appear to be to limit non-government access.



the supply chain, is key to reducing financial and reputational risk posed,<sup>25</sup> for example, by counterfeit goods, and facilitated by anonymously owned companies.<sup>26</sup>

Some companies are currently purchasing this information but often cite issues with the data, including coverage and quality.<sup>27</sup> Additionally, these costs are disproportionately higher for smaller companies.<sup>28</sup> Publicly accessible BO data enables all companies to access the same information, decreasing the cost of due diligence and enabling companies to better reduce risk. This helps level the playing field<sup>29</sup> and contributes to “preserving trust in the integrity of business transactions and of the financial system,” as recognised by AMLD5 (see [Box 10](#)).

### Box 3: Use of public beneficial ownership data by companies in the UK

In a review of the UK BO register, the majority of searches by businesses “were looking up information on clients and customers (64%), and businesses with a simple ownership structure were more likely to search for this information than businesses with a complex ownership structure (65%).”<sup>30</sup> 64% of surveyed businesses found the data useful or very useful.<sup>31</sup>

At a societal level, removing information asymmetries between large companies able to pay for enhanced access to data and smaller companies relying on public data can increase market competition and foster a business culture of transparency and trust.<sup>32</sup> It is therefore unsurprising that an increasing number of companies are now calling for governments to make BO information accessible to them.<sup>33</sup> As Chris Robinson, Chief Compliance Officer at mining multinational BHP said: “Public BO registers are the best tool against corruption. [Public registers are] better than just holding this information with governments. This levels the playing field for ethical companies who are committed to operating cleanly and makes it harder for corrupt companies to be corrupt. It improves the investment environment and level of certainty when investing in a country. As a company, BHP seeks beneficial ownership information about companies it deals with and its suppliers. This is often difficult to verify. Making the information public opens more resources to verify it. It makes it much easier for BHP to complete due diligence on suppliers.”<sup>34</sup>

The use of BO information is increasingly being recognised as best practice in environmental, social governance (ESG).<sup>35</sup> At Davos 2021, the World Economic Forum

concluded that BO data is necessary to gain oversight of the activities of a company’s third parties and suppliers and their potentially environmentally or socially damaging actions.<sup>36</sup> ESG principles are becoming increasingly important in investment decision-making, even when companies are not directly liable themselves, “in light of mounting evidence, activism and regulation.”<sup>37</sup> As the Head of Sustainability of a global investment firm said, “if you feel uncomfortable about your production process or supply chain, there’s probably a reason why. In a time of radical transparency, look at your products, practices and your value chain.”<sup>38</sup>

### Beneficial ownership data providers and reusers

Private third-party BO data providers are increasingly calling for governments to make BO data public.<sup>39</sup> BO data providers ingest BO data from government registers as their primary sources of data. Their services often include making the data available as structured data, using standardised formatting in a digital and often machine-readable format. They usually offer the data cleaned and note where it may have errors (such as unusual entries for given fields) or may be outdated. The more advanced services offer cross-checking information against data in other systems, government registers, and other publicly available information, augmenting data with costly open source research.<sup>40</sup> In short, BO providers are offering services which in some BOT regimes governments are doing themselves: verifying data and making it available in a structured format. As governments can use additional non-public sources to verify BO data, they can be better placed to verify data. Unfortunately, many governments provide barriers to access, ranging from identification and registration requirements to paywalls, making it difficult for BO data providers to ingest and augment the data.<sup>41</sup>

### Box 4: YouControl: Beneficial ownership data reuse in Ukraine

YouControl is a Ukrainian company committed to business transparency in Ukraine. It draws on data from Ukraine’s public BO register – the Unified State Register – to enable reduced corruption in Ukraine’s business sector. YouControl has developed an “analytical system for compliance, market analysis, business intelligence, and investigation”. It pulls data from 87 government registers, including the Unified State Register for BO, as well as some of its own analysis to provide company profiles with a substantial amount of information, including anything that should raise red flags: unpaid taxes, pending lawsuits,



and failure to file returns.<sup>42</sup> YouControl charges the private sector for its services, but provides information for free to non-governmental organisations (NGOs), civil society organisations (CSOs), and universities.

Publication of open data on YouControl's website has been useful in the fight against fraud and unfair business in Ukraine.<sup>43</sup> A number of case studies on the website provide examples where companies have saved hundreds of thousands of dollars by using YouControl to identify fraudulent operations before entering into business with them.<sup>44</sup> Additionally, YouControl customers report irregularities to the authorities, and YouControl also provides advice and input to the government about the register as a member of its verification working group.

When governments make verified BO data publicly accessible, the disruptive market effect moves BO data providers up the value chain from providing a data cleaning service. Put simply, the better the structured data these companies can ingest, the more they can target human resources at more complex aspects of open source research. BO data service providers are offering increasingly sophisticated tools that can add even greater value to BO data. For instance, some offer a greater customisation of offerings for specific types of users within the private sector, outside of the primary regulatory uses, such as for investors, or for sustainability departments who wish to better understand the relationships of BO to other entities.<sup>45</sup>

There is emerging evidence that open company and BO data hold significant economic value. A PwC study shows that in Italy, company ownership information forms 10% of the total Italian information sector's economic value.<sup>46</sup> And a Deloitte impact assessment for the European Commission concluded: "The experience of the frontrunner countries clearly show the exponential increase in the value of the information which emerged as a consequence of greater availability of company data and there is no reason to doubt that this anticipatory examples could not be indicative of what would happen in all other countries."<sup>47</sup>

### Box 5: The economic value of BO data in the UK

A 2019 Companies House (CH) study estimates the value of UK company data to be an average of GBP 1,100 per reuser, with an estimated total benefit between GBP 1 billion and GBP 3 billion per year<sup>48</sup> – of which BO data constituted between GBP 40 million and GBP 120 million<sup>49</sup> – for Companies House Service (CHS) users alone. The study explains that "more than half of the smaller intermediaries that access CH bulk data products have only been accessing these products since they became available free of charge. This suggests that access to free data has stimulated the development of new business opportunities."<sup>50</sup>

## Civil society

Civil society, including whistleblowers, investigative journalists, researchers, and the general public, is a key user group for public BO data. Civil society actors, using a combination of publicly accessible data and data from leaks – such as the Panama and Paradise Papers, and the Luanda Leaks – play a significant role in bringing cases of corruption and financial crime to light. For instance, the Organized Crime and Corruption Reporting Project (OCCRP) – an investigative reporting platform for a worldwide network of independent media centers and journalists – has contributed to over USD 7.3 billion in fines being levied and assets being seized, and over 500 arrests, indictments, and sentences.<sup>51</sup>

### Box 6: Public data used to expose conflicts of interest in the EU<sup>d</sup>

Before entering politics in 2011 on an anti-corruption platform,<sup>52</sup> current Czech Prime Minister Andrej Babiš worked in the private sector and founded the Agrofert Group in 1993. Agrofert now has more than 250 subsidiaries, including two of the largest Czech newspapers, *MFDNES* and *Lidové noviny*, as well as the Mafra media group, which owns *iDnes*, the most visited Czech news server.<sup>53</sup>

Following the introduction of Czech conflict of interest legislation, which prevents members of government and other public officials from having a

<sup>d</sup> For the full story, see: Tymon Kiepe, Victor Ponsford, and Louise Russell-Prywata, "Early impacts of public registers of beneficial ownership: Slovakia", Open Ownership, September 2020, <https://www.openownership.org/uploads/slovakia-impact-story.pdf>.





controlling interest in news media, Babiš transferred his sole ownership of the Agrofert Group to two trust funds: AB private trust I, owning 565 shares (89.97%); and AB private trust II, owning 63 shares (10.03%).<sup>54</sup> Agrofert is currently active in 18 countries in 4 continents,<sup>55</sup> and as such is registered in both the Czech Republic as well as Slovakia, where it is a market leader in agriculture and food processing.<sup>56</sup>

Following research on the Slovak public BO register in 2018, TI Slovakia uncovered that Babiš was disclosed as one of five beneficial owners by Agrofert Slovakia.<sup>57</sup> In response, Agrofert claimed that TI had misinterpreted the law and that “Mr. Babiš is not the controlling entity of the Slovak companies of the Agrofert Group.”<sup>58</sup> This was contested by TI Slovakia, drawing attention to the fact that Babiš is the only beneficial owner who has the power to remove all other listed beneficial owners – the trustees.<sup>59</sup> Additionally, he is listed as a beneficiary in the certified disclosure document; the trust funds are set up so that the shares will return to him when he terminates his public office.<sup>60</sup> Besides potentially violating the Czech Conflict of Interests Act, Babiš could have violated EU laws regarding firms being owned by politicians not being eligible to receive EU funding,<sup>61</sup> as Agrofert subsidiary companies received EU subsidies both before and after Babiš transferred his ownership to the two trusts in 2017.

A recent EU audit has found that: “Considering [...] that Mr Babiš has defined the objectives of the Trust Funds [...], set them up and appointed all their actors, whom he can also dismiss, it can be assessed that he has a direct, as well as an indirect decisive influence over the Trust Funds. Based on this assessment, the Commission services consider that, through these Trust Funds, Mr Babiš indirectly controls the parent company AGROFERT group [...]”. He was found to be in violation of the EU’s Conflict of Interests Act.<sup>62</sup>

In a hypothetical world where financial investigative units (FIUs) and other competent authorities are sufficiently resourced, information sharing systems would work seamlessly, and justice systems would always be independent and effective, the need for journalists to investigate financial crime would be minimal. However, reality is some distance removed from this idea, as highlighted by recent journalistic exposés. The FinCEN Files – named after the US Treasury’s Financial Crimes Enforcement Network – were published on 20 September 2020 and contained leaked suspicious activity reports (SARs) made by banks

to the United States’ FIU. The leaks revealed substantial deficiencies in the current international AML architecture, for instance, major FIs had a continued role in moving illicit funds, despite warnings and fines, operating in what a former senior US Justice Department official and financial crimes prosecutor called “a system that is largely toothless.” “Everyone is doing badly,” concluded the FATF executive secretary.<sup>63</sup> Some argue that fighting financial crime should be left to governments alone.<sup>64</sup> Given the situation, however, whilst governments should not absolve themselves of this core responsibility, public registers allow civil society to fulfil a critical investigative role and provide public oversight of the government function of fighting financial crime.

The evidence that even comparatively well-resourced FIUs in high-income countries are failing to prevent crimes can undermine citizens’ trust in their governments to perform its duties, perhaps even more so in countries with more modest resources. Public registers also help governments to be accountable to their citizens and allow for public oversight of not only fighting financial crime, but also other key functions such as knowing who receives public funds, contracts, and licences.<sup>65</sup> Research suggests transparency can, under certain circumstances, lead to better performance of government, and can ensure greater accountability and trust.<sup>66</sup> Accountability is a key use case for public BO data. As mentioned, many countries are pursuing BOT in public procurement; publishing BO information of recipients of public funds – in combination with open contracting and spending data – allows governments to account for their spending of taxpayer money,<sup>67</sup> particularly in emergency responses.<sup>68</sup>

### Box 7: Investigating the Beirut blast

On 4 August 2020, an explosion in a warehouse in the port of Beirut resulted in the deaths of 211 people,<sup>69</sup> injuring 5,000 people, temporarily displacing over 300,000 people, and incurring an estimated loss of USD 10-15 billion.<sup>70</sup> The explosion was caused by the detonation of 2,750 tonnes of ammonium nitrate that was stored, unsafely, at the warehouse in the port of Beirut.

The ammonium nitrate had arrived in Beirut on 23 September 2013 on the MV Rhosus, a Moldavian flagged ship, sailing from Batumi, Georgia and heading to Biera, Mozambique.<sup>71</sup> The ship was forced to stop in Beirut after experiencing technical problems following an inspection from the Beirut Port authorities.<sup>72</sup> Given ammonium nitrate is used



for making bombs,<sup>73</sup> there have been speculations about the reason for shipping the chemicals and an investigation into the potential culprits of the disaster in Beirut and their motives.<sup>74</sup>

Financial crime investigators Graham Barrow and Ray Blake used UK and Ukrainian data on the Global Open Ownership Register to gather information, tracing the ownership of the Moldovan ship to the management of a web of different British shell companies. Their investigation found a direct link between the ship that docked in Beirut and a UK registered company, whose listed beneficial owner revealed ties to other UK and Ukrainian registered companies and a number of sanctions, individuals, and companies.<sup>e</sup>

Barrow and Blake summarised: “We have a network of UK companies which appear to be involved in the purchase of dangerous chemicals which blew up much of Beirut, which are or were allegedly involved in facilitating the sale of oil on behalf of ISIS, which were, or are still, being owned or controlled by globally sanctioned individuals.

“The only reason we are able to bring this story to the general public, the only way we are able to shine this particular light into a very murky world, is because the UK operates a fully open, free to access, corporate and BO registry.”<sup>75</sup>

## Verification

Some have suggested that a closed register ensures higher data quality compared to open registers.<sup>76</sup> This premise misses the point that BO data quality is dependent on having comprehensive verification mechanisms. Who subsequently has access is a secondary point. In fact, making BO registers open and public is also a complementary, non-technically intensive mechanism to help verify BO data. Making registers public allows for checking by the private sector, civil society, and the general public, both for accidental error and deliberate falsehoods.<sup>77</sup> Research suggests that publishing data publicly can drive up data quality, as increased data use drives up the likelihood of inconsistencies or potential wrongdoing being identified, provided reporting mechanisms are in place and subsequent action is taken.<sup>78</sup> Registers should not rely on

making data public as the only means of verification, but should include checks both at the point of and after the submission of data.<sup>79</sup>

### Box 8: Civil society data use leads to innovations to strengthen data quality in the UK

In the largest-ever analysis of the data on beneficial owners of UK companies, Global Witness and DataKind UK examined more than 10 million corporate records from CH in 2018.<sup>80</sup> Combining persons of significant control (PSC) data with datasets about politicians and company officers, they developed algorithms to identify suspicious and erroneous filings. The analysis revealed that thousands of companies had filed suspicious entries that appeared not to comply with the rules. They highlighted methods for apparently avoiding disclosure of real owners, including naming an (ineligible) foreign company as the beneficial owner and creating circular ownership structures. Based on their research, the analysts developed a red-flagging system to help uncover higher-risk entries and identify companies that should be subject to further scrutiny.

The results of this research formed the basis of civil society advocacy to improve data in the UK’s BO register, and the findings were cited multiple times in the UK Government’s subsequent public consultation on proposed improvements.<sup>81</sup> Several of the recommendations have been incorporated into the UK Government’s proposed reforms.<sup>82</sup>

Whilst the UK Government could have undertaken this research itself, public access to the data in machine-readable format enabled data scientists in civil society to swiftly identify weaknesses and loopholes, and propose evidence-based solutions direct to policymakers, acting as a de facto verification mechanism to drive up data quality.

<sup>e</sup> For the full story, see: Chinwe Ekene Ezeigbo, Tymon Kiepe, and Louise Russell-Prywata, “Early impacts of public registers of beneficial ownership: United Kingdom”, Open Ownership, April 2021, <https://www.openownership.org/uploads/OO%20Impact%20Story%20UK.pdf>.



## Deterrence

Because deterrence is inherently difficult to measure, it is difficult to establish a link between transparency and deterring the misuse of legal entities. There is some evidence, however, that under certain circumstances the publication of data can lead to a change in behaviour.<sup>83</sup> Anecdotal evidence from the UK also suggests a deterrence effect of the publication of data (see [Box 9](#)).

### Box 9: Transparency and deterrence: Scottish Limited Partnerships

Due to having limited statutory filing requirements, Scottish Limited Partnerships (SLPs) have been described as the getaway vehicle of choice for money launderers.<sup>84</sup> When the UK launched its public BO register in 2016, SLPs were one of a small number of corporate forms that were exempt from the disclosure requirements. Although SLPs have legitimate uses, Global Witness analysis revealed their number almost doubled between 2015 and 2016, coinciding with the launch of BOT in the UK, which raised concerns that SLPs were being used to avoid transparency.

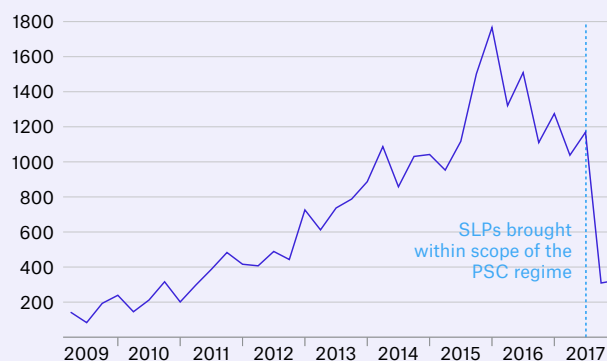
This suspicion was underscored by investigative journalists who uncovered that SLPs were used to move at least GBP 4 billion out of the former Soviet Union as part of the Russian Laundromat over a four-year period, one of the world's biggest and most elaborate money-laundering schemes.<sup>85</sup> In addition, reports show that 70% of the SLPs that were incorporated between 2007 and 2016 were registered at 10 addresses, and in 2014, 20 SLPs were used to move over USD 1 billion from Moldovan banks<sup>86</sup>.

In June 2017, the UK Government brought SLPs within the scope of its BOT regime, requiring owners to register and disclose PSC data to Companies House.<sup>87</sup> “Almost immediately their rates of incorporation plummeted to the lowest in 7 years, 80% lower in the last quarter of 2017 than at its peak at the end of 2015,” noted Global Witness.<sup>88</sup>

The fact that this dramatic shift in the use of SLPs coincides so clearly with them being brought within the scope of the UK BOT regime suggests a deterrence effect of making BO information public. Whilst this finding is a correlation, and we cannot rule out

the influence of other factors, this provides strong initial evidence for the role of BOT in changing the behaviour of individuals who use corporate vehicles.<sup>f</sup>

### Rate of SLP incorporation per quarter



Adapted from: Global Witness (2018), [Three ways the UK's Register of the real owners of companies is already proving its worth](#).<sup>89</sup>

<sup>f</sup> For the full story, see: Ezeigbo, Kiepe, and Russell-Prywata, “Early impacts: United Kingdom”.



## Considerations for implementers

There are a number of considerations for implementers to think through when deciding how, and on what basis, to make BO information available. The most important considerations are:

1. collating data in a **central register**;
2. making the data **accessible and usable** without barriers;
3. **establishing a legal basis** and broad purpose for publication in keeping with **privacy and data protection legislation**.
4. creating a system that **mitigates potential harms** of publication.

### Centralised registers

A precondition to BO data being made public is that it is collated and held in a central register. Having a centralised register means the data can be accessed through one central location in a standardised format. This is a prerequisite for effective use of BO data by all user groups, and removes some of the practical and cost barriers to accessing and analysing BO information. Central registers is one of the Open Ownership Principles (OO Principles) for effective BO disclosure, which promotes high quality, reliable data to maximise data useability and to minimise loopholes.<sup>90</sup>

Maintaining a central register of BO information is one of three complementary approaches identified by the FATF as best practice.<sup>91</sup> Analysis of FATF country evaluations clearly demonstrates the importance of central registers for reducing money laundering risk: countries maintaining a central register – as opposed to relying on other decentralised approaches where companies and other institutions hold BO data – perform better against FATF’s requirement to ensure timely access to adequate, accurate, and up-to-date information on the BO of companies.<sup>92</sup> Central registers may be more challenging to implement for federal jurisdictions, which may need to harmonise BO legislation

across sub-national jurisdictions in order to meet FATF requirements. The importance of this is demonstrated by Brazil, where, until the introduction of a national company register in 2008, individual Trade Boards in each of Brazil’s 27 states had to be contacted separately to determine whether it held information on a particular company, each with differing incorporation requirements.<sup>93</sup>

Law enforcement in the UK, where a central – and public – register was introduced in 2016, “generally felt that the introduction of the register [...] has made it quicker and easier to obtain such information.”<sup>94</sup> A 2002 UK government study estimated the savings from having a central registry of BO in police time alone was GBP 30 million a year; it also made it easier to trace and recover stolen assets, therefore already providing net benefit before considering a range of other direct and indirect cost saving impacts.<sup>95</sup> Many countries have also centralised their company registers – often charged with BO disclosure – to improve the ease of doing business.

The advantages of a central register are broadly recognised. Recent significant commitments to introducing centralised BO register covering specified legal entities include the United States and Canada. In the US, provisions were included in the Corporate Transparency Act (CTA), as part of the 2020 National Defense Authorization Act. The CTA will create a BO register within FinCEN. Several disclosure regimes have existed at the state level, but the US opted for a national central registry in light of national security concerns. Unlike the US, Canada’s central register, announced in the 2021 budget, will be made public.<sup>96</sup> Nigeria, whilst having a longer-standing commitment, is also implementing a central register. It launched a first iteration in early 2021, but still faces considerable challenges.<sup>97</sup> Implementation in these countries will provide lessons on implementing BOT in large, federated – both high and lower-income – jurisdictions.



## Data accessibility and usability

Whilst a number of countries have started implementing public BO registers in recognition and pursuit of the benefits discussed above, many have introduced restrictions to access in the forms of: charging for data (e.g. Ghana<sup>98</sup>); requiring registration (e.g. Bulgaria<sup>99</sup>), and sometimes compulsory identification (e.g. Germany<sup>100</sup>); and having restrictive licensing (e.g. Austria<sup>101</sup>). Some regimes also have other barriers to use, such as limiting searchability to company name or number.<sup>102</sup> Such barriers can constrain or limit the use of BO data to achieve desired policy goals.

In particular, charging a fee for every request, even if it is not a high fee, prevents journalists, researchers, and NGOs from being able to access data. This negates potential benefits mentioned above, such as being able to conduct thorough investigations into financial crime.<sup>103</sup> As financial investigators Ray Blake and Graham Barrow said, “[we had to put] a whole range of research projects [...] on hold because we simply couldn’t afford the fees to access the records.”<sup>104</sup> In the UK, the number of search requests on the register increased more than 200-fold, from 6 million in 2014/2015 to 1.3 billion in 2015/2016, after the paywall was removed, to 2.1 billion in 2016/2017.<sup>105</sup> Whilst this

does not necessarily prove benefit, some benefits outlined above, e.g. driving up data quality, are dependent on data use.

Similarly, licences can severely restrict the potential benefits of public BO registers. To realise the full benefits of public BO data, users should be able to copy, publish, distribute, and adapt the information that is in the public domain, for both commercial and non-commercial purposes, free of charge. There has been a proliferation of custom licences from governments, which poses a major challenge for users: each licence may have specific legal arrangements, which users need to understand, and different licences may have compatibility issues.<sup>106</sup> Therefore, it is recommended to use Open Definition conformant licences, which allow data to be freely used, modified, and shared by anyone for any purpose, such as the Public Domain Dedication License.<sup>107</sup>

In summary, data should be made available as structured, open data: accessible and usable without barriers such as payment, identification, registration requirements, collection of data about users of the register, or restrictive licensing. It should be searchable by both company and beneficial owner names. These aspects are outlined in the OO principles.<sup>108</sup>

**Table 1. Barriers to beneficial ownership data access and use in the EU**

BO data...	Yes (no. of countries)	No <sup>9</sup> (no. of countries)
is licensed under an open licence (for basic information)	8	19
has registration-free access	10	17
is accessible free of charge	11	16
has application programming interface (API) access	12	15
is downloadable in bulk	13	14
is machine readable	18	9
is searchable by both BO and legal entity	5	22

Sources: Licensing, API, bulk download and machine readability: Deloitte<sup>109</sup>; Registration, cost and searchability: Transparency International.<sup>110</sup>

<sup>9</sup> This includes countries where this was not yet implemented or for which information was not available.



## Costs

Recovering or sustaining the cost of a BO register is often used as a justification for charging for access. This is only one of several ways to recover costs, including, for instance, filing charges. Whilst comprehensive cost analysis of global, public BO registers is lacking, Deloitte has conducted a study among EU member states on the costs of company registers, including BO data. The study concludes that: “When comparing the costs and benefits of making these datasets available, it emerges clearly that the benefits to society and reusers greatly exceed the costs borne by the data holders.”<sup>111</sup>

The one-off cost of setting up an API is estimated to cost an average of EUR 50,000. In addition, annual operational costs of the overall registers were estimated between EUR 3.2 million and EUR 16 million.<sup>112</sup> Momentarily leaving other benefits outside of consideration, these figures are substantially lower than the potential economic value of data reuse outlined above. The biggest perceived cost to making data public was lost revenue for countries that already charged for data. These countries generate considerable revenues in excess of register operating costs in certain EU countries, but less than the potential economic value of data reuse.<sup>113</sup>

If implementers are seeking to recover costs directly through a register, a significant portion, if not all costs, can be recovered through modest filing charges rather than charging for data use and without substantial adverse effects to the ease of doing business. CH in the UK, for instance, “operates on the basis of cost recovery, seeking to break even taking one year with another” through fees.<sup>114</sup> Most recovered costs are through charges for incorporation.<sup>115</sup> Conversely, its BO data is free at the point of use, allowing for the substantial economic value of data reuse discussed above. Nonetheless, the UK is rated by the World Bank as one of the countries where it is easiest to do business.<sup>116</sup>

One challenge that implementers face is that economic benefits often accrue in different departments from where costs are born, and government budgeting is often not set up to reconcile these. Because of this, the agencies who bear the costs often impose charges at the point of service. Implementers should aim to reconcile the costs of data products against the revenues through internal budget processes and clear interdepartmental agreements. These

agreements should be long-term and should transcend annual budgeting to avoid having to do so on an annual basis.

## Establishing a legal basis

Privacy is widely acknowledged to be a human right, but in most countries it is not an absolute right. It can be limited or restricted under certain circumstances, often including when it is in the public interest to do so, for instance, by helping prevent, detect, and investigate crime. Data protection legislation tries to balance the right to privacy with the legitimate uses of data. In some cases, data protection law may say that a certain use of data infringes privacy, but not the law, because the potential gains to the public interests outweigh the potential negative effects of reduced privacy. No data protection regimes categorically prevent the publication of personal information (see, for example, [Box 11](#) and [Box 12](#)).<sup>117</sup>

This raises the question as to what extent the publication of BO data specifically is in the public interest. What are the added potential benefits of making data public, and are these proportional to the potential impact on privacy? The first section of this briefing has summarised potential benefits. Although BOT has not yet been implemented in enough jurisdictions to have a robust evidence base of positive impact over the long term – and as discussed, things like deterrence are hard to measure – there are sufficient arguments for it to be reasonable and rational for policymakers to act on the understanding that a public register will serve the public interest.

Privacy concerns are highly context dependent. Within the EU, for instance, hugely divergent privacy concerns are emerging from different member states.<sup>h</sup> In the UK, when it was still an EU member, a public register was implemented without significant opposition. Contrarily, there was considerable opposition and eventually a closure of work to create a closed National Identity Register and ID cards for citizens, an equivalent of which is commonly found in many EU countries.<sup>118</sup>

It is important for each country to assess whether publication is reasonable, proportionate, and justified given their national privacy and data protection safeguards, and to

<sup>h</sup> For example, in the Netherlands an application for injunction (subsequently rejected) mentions examples of children being bullied at school for being rich (“Dagvaarding in Kort Geding”, Privacy First, 5 January 2021, 27, [https://www.privacyfirst.nl/images/stories/UBO/2021-01-05\\_KG\\_dagvaarding\\_UBO\\_register\\_PrivacyFirst\\_def.pdf](https://www.privacyfirst.nl/images/stories/UBO/2021-01-05_KG_dagvaarding_UBO_register_PrivacyFirst_def.pdf)); in Germany, the Association of family businesses cited blackmailing and kidnapping fears (Markus Henn, “Bundesregierung knickt vor Unternehmenslobby ein – Firmendaten bleiben geheim”, 22 February 2017, Netzwerk Steuergerechtigkeit, <https://www.netzwerk-steuergerechtigkeit.de/bundesregierung-knickt-for/>).



ensure that BOT is legislated for with these in mind. As part of this, implementers should **define a clear purpose** for publication.

### Defining a purpose for publication

In order to ensure BO data can be made public in a manner that is compliant with data protection and privacy legislation, implementers should define a clear purpose in the legal basis for collecting and processing data when drafting legislation. Broadly, implementers have taken two approaches to this, defining a legal basis based on either a specific, narrow purpose (e.g. fighting financial crime), or a broader accountability and public interest purpose.

#### Box 10: The legal basis of beneficial ownership transparency in the EU

An example of narrow purpose is the AMLD5. It states: “[...] It should be possible for Member States to provide for wider access to information on beneficial ownership of trusts and similar legal arrangements, if such access constitutes a necessary and proportionate measure with the legitimate aim of preventing the use of the financial system for the purposes of money laundering or terrorist financing.”<sup>119</sup>

AMLD5 complements this with specifically noting the value of making public interest registers public: “Public access to beneficial ownership information allows greater scrutiny of information by civil society, including by the press or civil society organisations, and contributes to preserving trust in the integrity of business transactions and of the financial system. It can contribute to combating the misuse of corporate and other legal entities and legal arrangements for the purposes of money laundering or terrorist financing, both by helping investigations and through reputational effects, given that anyone who could enter into transactions is aware of the identity of the beneficial owners. It also facilitates the timely and efficient availability of information for financial institutions as well as authorities, including authorities of third countries, involved in combating such offences. The access to that information would also help investigations on money laundering, associated predicate offences and terrorist financing.”

The advantage of defining a narrow purpose is that it makes it easier to build broad political support for BOT. In the case of the EU, for instance, it does not seem likely that public BO registers would have otherwise been accepted by all member states. The disadvantage is that this constrains further use in other policy areas, and forces a discussion on proportionality and impact of the specified purpose. At the time of writing, there are two ongoing court cases in Luxembourg<sup>120</sup> that have been submitted to the European Court of Justice against the publication of personal data in BO registers on the ground of GDPR, challenging governments to demonstrate that the potential benefits of making registers public in fighting money laundering are proportional to the potential negative effects. A recent application for injunction in the Netherlands against the state cites that public access is more relevant to combating tax evasion than AML and combating the financing of terrorism (CFT), but that this is not a stated aim of the Directive.<sup>121</sup> Whilst the application was rejected,<sup>122</sup> it highlights a potential challenge as, under GDPR, data can only be used for the purposes defined. Whilst this is an important data protection principle, it is difficult to apply to making personal data public if it is licensed for any form of use, as the purposes for which it is used cannot be controlled. Similarly, in discussions on making public BO data available for free as structured data for economic purposes, under the EU’s Public Sector Information (PSI) Directive, the point is often made that although the data was already made public under AMLD5, it was done so for a different purpose, and therefore would still face considerable political opposition.<sup>123</sup>



### Box 11: Cayman Islands legal review

On 14 December 2020, the UK Government published a draft Order in Council creating a requirement for the Overseas Territories (OTs) to implement publicly accessible registers of BO of companies.<sup>124</sup> Subsequently, the OTs had to consider how to implement this consistently with their constitutional rights to privacy. As part of technical support to the OTs, OO commissioned a legal review for the Cayman Islands. The review considered the following Article in the constitution:

#### *Private and family life*

9.—(1) *Government shall respect every person's private and family life, his or her home and his or her correspondence.*

...

(3) *Nothing in any law or done under its authority shall be held to contravene this section to the extent that it is reasonably justifiable in a democratic society— (a) in the interests of defence, public safety, public order, public morality, public health, town and country planning, or the development or utilisation of any other property in such a manner as to promote the public benefit; (b) for the purpose of protecting the rights and freedoms of other persons;*

...

Whilst the constitution covers a respect for privacy, it does not guarantee privacy, and includes provisions for government to interfere in private life if the interference is reasonably justified in a democratic society. It states that “It would seem likely that the publication of beneficial ownership information would be for the purposes of public order or public safety, given the law enforcement risks of the misuse of corporate structures for criminal purposes.”

Additionally, the review considered that, whilst the 2017 Data Protection Law provides a robust statutory framework for the treatment of personal data, it does not cover sensitive personal data, and can therefore be lawfully published as long as the data protection principles and constitution are complied with. It states that it is overwhelmingly likely that any court would conclude that there is “no violation of the Paragraph 9 right to respect for privacy”, as “the publication of the Article 4 information has a clear purpose – to prevent the misuse of corporations to break the law and the information published is

subject to strict data protections as set out in the 2017 Law. [...] The publication of BO information interferes with privacy, but does not amount to a violation of the Constitution given it is reasonable for the Government to publish that information.”<sup>125</sup>

In contrast, some jurisdictions have taken the approach for specifying a broad purpose in law (for instance, the UK, which was an EU member when GDPR came into force and transposed this into national law). However, under one of its derogations, it included the “Processing and public access to Official documents”, quoting that the “disclosure of [...] personal data, are already enshrined in several UK laws, particularly the Freedom of Information Act (FOIA) 2000.”<sup>126</sup> On this basis, the publication of BO data<sup>127</sup> is covered by Section 8 of the 2018 Data Protection Act, which covers the “processing of personal data that is necessary for the performance of a task carried out in the public interest”, which includes purposes such as “the administration of justice” and “an activity that supports or promotes democratic engagement.”<sup>128</sup> There has not been the type or scale of public objections to making BO data public in the UK compared with the EU. The UK was also able to because of its culture of making personal data public for certain purposes. The advantage is that as the purpose has been broadly defined as public interest, there is little resistance when there are proposals for using BO data for a different purpose in a new policy area, like procurement. Nigeria – a fellow common law state that has modelled much of its BOT legislation on the UK – has taken a similar approach.

Jurisdictions could consider pursuing a broad purpose based on accountability. Those who incorporate companies enjoy certain societal benefits, such as limited liability, and are therefore licensed by government and broader society. It could be argued that they need to be accountable to the general public, and that their business activities therefore need to be rendered less private. Arguably, in the same vein that governments are publicising the BO of recipients of public funds, many if not all companies in an economy fall under fiscal policies that grant some sort of tax benefit.

BO data has a broad range of applications across different policy aims. Jurisdictions that want to make use of the full potential of BO data should approach this holistically by defining a legal basis with a broad purpose.





### Box 12: Canada legal analysis<sup>129</sup>

In October 2019, a coalition of Canadian NGOs commissioned a privacy analysis of the potential publication of BO information within the Canadian legal system. Of particular interest was section 8 (s.8) of the Canadian Charter of Rights and Freedoms: “Everyone has the right to be secure against unreasonable search and seizure,” which protects the individual’s reasonable expectations of privacy from unjustified state intrusion.<sup>130</sup>

The report concluded that, based on the s.8 analysis, “the type of information sought by governments in the creation of a beneficial ownership registry would not likely be found to possess a high expectation of privacy. The information would be generally restricted to information identifying the beneficial owners of corporations, with the overall goals of reducing the misuse of such regulated entities and improving transparency.” It stated that “given the regulatory context and the nature of the information to be gathered, state collection of beneficial ownership would unlikely be found to be an illegal search and seizure under s.8 of the Charter.”<sup>131</sup>

The report also concluded that if the collection of BO information were to be found to engage s.8 and be considered a state intrusion of privacy, “it would likely be accepted by courts as a justifiable intrusion on individual privacy rights when balanced against the important state and social objectives of making corporations more transparent and less susceptible to abuse.”<sup>132</sup>

## Mitigating potential negative effects of public access

The potential benefits of making BO data need to be weighed against the potential harmful effects of reducing privacy. These will differ per jurisdiction, and each implementer will need to assess what the potential effects are through stakeholder consultations.<sup>133</sup> Implementers will also need to assess which concerns are valid. For instance, some stakeholders in Germany have voiced concerns over identity fraud and kidnapping. Research has shown that whilst company directors are disproportionately at risk of identity fraud, this risk is most serious when information about them has already been published online, such as on social media.<sup>134</sup> In terms of kidnapping, research shows that there have been no documented examples of harms

that have arisen from the publication of BO data in open registers. However, registers have been mostly implemented in Global North countries so far. It is likely that if BOT reforms are considered in other contexts, these will face their own set of potential harms. For instance, based on OO’s experience supporting implementation in Mexico, there are specific concerns about risks to personal safety (e.g. kidnapping) based on Mexico’s specific legal and security environment. Similar concerns have also featured in Mexico’s debates about the asset disclosures of public officials. In other countries where OO is supporting implementation, such as Indonesia, data protection laws are still being drafted, creating uncertainty. Whatever concerns arise, implementers can take a number of steps to ensure that potential harms are mitigated.

### Data minimisation

Implementers should follow the principle of data minimisation and only collect data that is adequate (sufficient to fulfil the stated policy aims), relevant (has a rational link to that purpose), and limited to what is necessary (not surplus to that purpose). Disclosure regimes should not collect any unnecessary data – especially not sensitive data (e.g. physical appearance or racial background), which also often needs to meet a higher legal threshold for processing.

### Layered access

Most countries will make a smaller subset of the data available to the public than to the authorities. This can be called layered access. For example, it is difficult to justify the need for the general public to be able to see a person’s tax identification number, but authorities may need this information. Only the minimum – but sufficient – details necessary for public oversight to work should be published.<sup>135</sup> This means publishing sufficient data in order to be able to identify two beneficial owners of different companies when they are the same person, and being able to distinguish between two beneficial owners when they are different people, but for instance share the same name. Therefore, usually additional data fields such as month and year of birth, nationality, and country of residence are made publicly available. [Table 2.1](#) and [Table 2.2](#) show a comparative overview of the data fields available to the public and to the authorities in two European countries.



## Table 2. Country comparison

### Table 2.1. The United Kingdom<sup>137</sup>

Information available to the public	Information available to the authorities
Month and year of birth	Full date of birth
Service address and country of residence	Service address and full residential address
Nationality	Nationality
Date BO started	Date BO started
Whether an application has been made for the individual's information to be protected from public disclosure	Whether an application has been made for the individual's information to be protected from public disclosure
Nature and extent of interest held (ranges)	Nature and extent of interest held (ranges)

### Table 2.2. The Netherlands<sup>138</sup>

Information available to the public	Information available to the authorities
Month and year of birth	Full date, place, and country of birth
Country of residence	Full residential address
Nationality	Nationality
Date BO started	Date BO started
Whether an application has been made for the individual's information to be protected from public disclosure	Whether an application has been made for the individual's information to be protected from public disclosure
Nature and extent of interest held (ranges)	Nature and extent of interest held (ranges)
	Citizen service number or foreign tax identification number (TIN)
	Copies of one or more documents confirming the identity of the ultimate beneficial owner (UBO)
	Copies of one or more documents showing the nature and extent of the interest held (i.e. why that person is classified as UBO)



## Protection regime

Implementers can also mitigate potential negative effects arising from the publication of data by providing for exemptions to publication in circumstances where someone is exposed to disproportionate risks. This is a common feature of many BOT regimes. This should focus on mitigating risks emerging from the publication of the data – i.e. knowing that someone is the beneficial owner of a specific legal entity. For instance, a person might be a member of a particular religious community and be the beneficial owner of a company whose activities conflict with the principles of that religion. The protection regime should also include risks emerging from the publication of any of the personal data. For instance, someone who has been stalked and harassed has a legitimate case not to have the combination of name and residential address published. A protection regime should have an application system with the possibility to apply to have certain or all data fields protected before these are published, when substantiated by evidence. These should be reviewed according to a set of narrowly defined conditions, to avoid creating significant loopholes in a disclosure regime.

### Box 13: The UK's Persons of Significant Control Protection Regime

The UK's protection regime covers either residential addresses or all information of any individual who can demonstrate "serious risk of violence or intimidation." Applications are assessed on a case-by-case basis.

Between April 2016 and January 2019, 447 applications were made to protect all information. Only 16% were successful (with 40% awaiting decision). 456 requests were made to protect addresses, of which 88% were approved, demonstrating a higher bar for full protection. Authorities may submit applications to view protected information, but in that same period, none had done so.<sup>136</sup>



## Conclusion

The increasing number of jurisdictions implementing public BO registers, and jurisdictions making existing closed BO registers open, has resulted in significant debate, both about specific added value of making BO data public, and whether this is proportional to privacy and personal security concerns.

This briefing demonstrates that making BO registers public gives a number of user groups access that generates a range of benefits, contributing to various policy areas. In certain policy areas (such as fighting financial crime), a number of these benefits could, in a hypothetical perfect system, be achieved with closed registers.

However, recent examples show that the global architecture for fighting financial crime is far from perfect, and until a perfect system is in place, these gains can be quickly achieved with open registers. Additional policy aims, such as accountability in procurement, can only be achieved with open registers.

Whilst the body of evidence supporting the effectiveness of public registers over closed registers is still emerging, there are sufficient reasons to state that public registers serve the public interest.

Jurisdictions considering making BO data public should be aware that the potential benefits from publication will depend on how the registers are implemented. Implementing countries first need to collate data in a central register. This register should be freely accessible without barriers to access, such as fees and restrictive licensing, as these adversely affect data use. Emerging evidence has shown that costs can be recovered without compromising data accessibility or the ease of doing business. In terms of legislating for public access, implementation across the globe has shown that, in general, the disclosure of BO can be readily accommodated alongside data protection and other relevant obligations. Implementers will need to articulate a clear purpose and legal basis in the law, ideally broadly defined (e.g. accountability and public interest) rather than narrowly defined (a

specific policy area such as AML). They should consider any context-specific threats beneficial owners may face after disclosure that may be unique to their jurisdiction, and mitigate the negative effects to the extent possible, such as through protection regimes.

At the time of writing, a number of court cases against public registers are being heard. It is important that the justification and proportionality of BOT are tested in an environment of forever increasing data, and their outcomes will no doubt have an impact on the debate. BOT is yet to be implemented everywhere, and conclusions therefore cannot be drawn about potential negative effects that may emerge in all contexts. Neither implementers nor transparency advocates can be blindly optimistic about publication, and should take concerns seriously. Giving due considerations to the concerns as well as the range of benefits will enable implementers to devise an effective and safe BOT regime that is appropriate for their context.



## Endnotes

- 1 "National Voters' Service Portal", Election Commission of India, n.d., <https://electoralsearch.in>.
- 2 "Historical DOB Permit Issuance", NYC Open Data, 8 February 2020, <https://data.cityofnewyork.us/Housing-Development/Historical-DOB-Permit-Issuance/bty7-2jhb>.
- 3 "Privacy or public interest? Making the case for public information on company ownership", The B Team, The Engine Room, and Open Ownership, March 2019, 4, <https://www.openownership.org/uploads/privacy-report-summary.pdf>.
- 4 "Worldwide commitments and action", Open Ownership, n.d., <https://www.openownership.org/map/>.
- 5 "Concealment of Beneficial Ownership", Egmont Group and FATF, Paris, July 2018, 32, [https://egmontgroup.org/sites/default/files/filedepot/Concealment\\_of\\_BO/FATF-Egmont-Concealment-beneficial-ownership.pdf](https://egmontgroup.org/sites/default/files/filedepot/Concealment_of_BO/FATF-Egmont-Concealment-beneficial-ownership.pdf).
- 6 Maira Martini, "Who is behind the wheel? Fixing the global standards on company ownership", Transparency International, 2019, 20, [https://images.transparencycdn.org/images/2019\\_Who\\_is\\_behind\\_the\\_wheel\\_EN.pdf](https://images.transparencycdn.org/images/2019_Who_is_behind_the_wheel_EN.pdf).
- 7 "Anti-money laundering and counter-terrorist financing measures – Canada", Fourth Round Mutual Evaluation Report, FATF, Paris, September 2016, <https://www.fatf-gafi.org/media/fatf/documents/reports/mer4/MER-Canada-2016.pdf>.
- 8 "Anti-money laundering and counter-terrorist financing measures – Ghana", Second Round Mutual Evaluation Report, GIABA, Dakar, 2018, <https://www.fatf-gafi.org/media/fatf/documents/reports/mer-fsrb/GIABA-Ghana-MER-2018.pdf>.
- 9 "Anti-money laundering and counter-terrorist financing measures – Hong Kong, China", Fourth Round Mutual Evaluation Report, FATF, Paris, 2019, <https://www.fatf-gafi.org/media/fatf/documents/reports/mer4/MER-Hong-Kong-2019.pdf>.
- 10 "Anti-money laundering and counter-terrorist financing measures – Australia", Fourth Round Mutual Evaluation Report, FATF, Paris and APG, Sydney, April 2015, <https://www.fatf-gafi.org/media/fatf/documents/reports/mer4/Mutual-Evaluation-Report-Australia-2015.pdf>.
- 11 "Anti-money laundering and counter-terrorist financing measures – Latvia", Fifth Round Mutual Evaluation Report, MONEYVAL, Strasbourg, July 2018, <https://www.fatf-gafi.org/media/fatf/documents/reports/mer-fsrb/Moneyval-Mutual-Evaluation-Report-Latvia-2018.pdf>.
- 12 "Anti-money laundering and counter-terrorist financing measures – Australia", Fourth Round Mutual Evaluation Report, FATF, Paris and APG, Sydney, April 2015, <https://www.fatf-gafi.org/media/fatf/documents/reports/mer4/Mutual-Evaluation-Report-Australia-2015.pdf>.
- 13 "Anti-money laundering and counter-terrorist financing measures – Hong Kong, China", Fourth Round Mutual Evaluation Report, FATF, Paris, 2019, [www.fatf-gafi.org/publications/mutualevaluations/documents/mer-hong-kong-china2019.html](http://www.fatf-gafi.org/publications/mutualevaluations/documents/mer-hong-kong-china2019.html).
- 14 Interview with Open Ownership, Law Enforcement Officer, 21 May 2020.
- 15 Response to the Open Ownership Principles consultation via <https://www.openownership.org/events/the-open-ownership-principles-consultation>, 2 March 2021.
- 16 "Open data: Matt Hancock speech", GOV.UK, 10 December 2015, <https://www.gov.uk/government/speeches/open-data-matt-hancock-speech>.
- 17 See, for example: Gareth Davies, "Challenges in using data across government", National Audit Office, 21 June 2019, <https://www.nao.org.uk/wp-content/uploads/2019/06/Challenges-in-using-data-across-government.pdf>.
- 18 "Green Paper: Transforming public procurement", GOV.UK, 15 December 2020, <https://www.gov.uk/government/consultations/green-paper-transforming-public-procurement>.
- 19 "Summary of GDPR derogations in the Data Protection Bill", Department for Digital, Culture, Media and Sport, 7 August 2017, [https://iapp.org/media/pdf/resource\\_center/UK-GDPR-derogations.pdf](https://iapp.org/media/pdf/resource_center/UK-GDPR-derogations.pdf); "Data Protection Act 2018", Legislation.gov.uk, Section 8, 2018, <https://www.legislation.gov.uk/ukpga/2018/12/section/8/enacted>.
- 20 Shushan Doydoyan, "Beneficial ownership progress in Armenia", Freedom of Information Centre of Armenia, 6 April 2021, <http://www.foi.am/en/news/item/2011/>.
- 21 Comments made during an Anti-Corruption and Responsible Tax APPG event on Companies House Reform, Online, 25 February 2021.
- 22 Arun Advani, Emma Chamberlain, and Andy Summers, "A wealth tax for the UK", Wealth Tax Commission, 2020, <https://www.wealthandpolicy.com/wp/WealthTaxFinalReport.pdf>.
- 23 Rob Haden, "EY's Global Fraud Survey", LinkedIn, 21 April 2016, <https://www.linkedin.com/pulse/eys-global-fraud-survey-2016-rob-haden?articleId=6128943671413923841>.
- 24 "Building a Smarter Supply Chain: The power of AI and Blockchain to drive greater supply chain visibility and mitigate disruptions", IBM, October 2019, <https://www.ibm.com/downloads/cas/EY5BG4R>.
- 25 Paul May, "Inception Report: Use of beneficial ownership data by private sector", Open Ownership, June 2020 (Unpublished).
- 26 David M. Luna, "Anonymous Companies Help Finance Illicit Commerce and Harm American Businesses and Citizens", FACT Coalition, May 2019, <https://thefactcoalition.org/anonymous-companies-help-finance-illicit-commerce-and-harm-american-businesses-and-citizens>.
- 27 "The use of beneficial ownership data by private entities", Cognitiks and Open Ownership, 2021 (Forthcoming).
- 28 Petrus van Duyn, Jackie Harvey, and Liliya Gelemerova, *The Critical Handbook of Money Laundering* (London: Palgrave Macmillan, 2018), 254.
- 29 "Ending anonymous companies: Tackling corruption and promoting stability through beneficial ownership transparency", The B Team, January 2015, 8-9, <https://bteam.org/assets/reports/B-Team-Business-Case-Ending-Anonymous-Companies-Report.pdf>.
- 30 "Review of the implementation of the PSC Register", Department for Business, Energy and Industrial Strategy, March 2019, 30, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/822823/review-implementation-psc-register.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/822823/review-implementation-psc-register.pdf).
- 31 Ibid, 31.
- 32 Tymon Kiepe and Eva Okunbor, "Beneficial ownership data in procurement", Open Ownership, March 2021, 16, <https://www.openownership.org/uploads/OO%20BO%20Data%20in%20Procurement.pdf>.
- 33 "The use of beneficial ownership data by private entities", Cognitiks and Open Ownership, 2021 (Forthcoming).
- 34 Chris Robinson, quote from online event "EITI Debates: Why the pushback? Barriers to public disclosure of beneficial ownership in Latin America and the Caribbean", 11 March 2021, <https://eiti.org/event/eiti-debates-why-pushback-barriers-to-public-disclosure-of-beneficial-ownership-in-latin>.
- 35 "The ESG Due Diligence and Transparency Report on Extractive Commodity Trading", RMF, 2021, [https://www.responsibleminingfoundation.org/app/uploads/EN\\_RMF\\_DDAT\\_TRADING\\_2021\\_WEB.pdf](https://www.responsibleminingfoundation.org/app/uploads/EN_RMF_DDAT_TRADING_2021_WEB.pdf); "The use of beneficial ownership data by private entities", Cognitiks and Open Ownership, 2021 (Forthcoming).



- 36 “Companies at Davos Urged to Meet ESG Expectations after the Pandemic”, LexisNexis, 21 January 2021, <https://internationalsales.lexisnexis.com/sg/news-and-events/companies-at-davos-urged-to-meet-esg-expectations-after-the-pandemic>.
- 37 “Embracing the New Age of Materiality: Harnessing the Pace of Change in ESG”, March 2020, World Economic Forum, 5, [http://www3.weforum.org/docs/WEF\\_Embracing\\_the\\_New\\_Age\\_of\\_Materiality\\_2020.pdf](http://www3.weforum.org/docs/WEF_Embracing_the_New_Age_of_Materiality_2020.pdf).
- 38 Ibid, 9.
- 39 See, for instance: Che Sidanius, “Why firms want more company ownership data”, LinkedIn, 13 May 2020, <https://www.linkedin.com/pulse/why-firms-want-more-company-ownership-data-che-sidanius>.
- 40 “The use of beneficial ownership data by private entities”, Cognitiks and Open Ownership, 2021 (Forthcoming).
- 41 Dominic Kavakeb, “Patchy progress in setting up beneficial ownership registers in the EU”, Global Witness, 20 March 2020, <https://www.globalwitness.org/en/campaigns/corruption-and-money-laundering/anonymous-company-owners/5amld-patchy-progress/>.
- 42 “Information about all Ukrainian businesses”, YouControl, n.d., <https://youcontrol.com.ua/sources/>.
- 43 “Don’t Even Try: the Court Refused to Remove Data from YouControl at the Request of the Ukrainian Data-Center”, YouControl, 6 December 2019, <https://youcontrol.com.ua/en/news/i-ne-namahaytes-sud-vidmovyv-uydalenni-danykh-z-youcontrol-na-vymohu-ukrayinskoho-data-tsentru/>.
- 44 “Case Studies”, YouControl, n.d., <https://youcontrol.com.ua/en/cases/>.
- 45 “The use of beneficial ownership data by private entities”, Cognitiks and Open Ownership, 2021 (Forthcoming).
- 46 The study is not publicly available but quoted in: Deloitte, “Impact Assessment study on the list of High Value Datasets to be made available by the Member States under the Open Data Directive”, European Commission, 7 January 2021, 136.
- 47 Ibid, 138.
- 48 “Valuing the User Benefits of Companies House Data”, Companies House and the Department for Business, Energy and Industrial Strategy, September 2019, 4, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/833764/valuing-benefits-companies-house-data-policy-summary.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/833764/valuing-benefits-companies-house-data-policy-summary.pdf).
- 49 Ibid, 16.
- 50 Ibid, 5.
- 51 Nkironke Koome, “OCCRP: Using investigative journalism and big data in the fight against corruption”, Luminate, 18 February 2021, <https://luminategroup.com/posts/blog/occrp-using-investigative-journalism-and-big-data-in-the-fight-against-corruption>.
- 52 “Czech prosecutors drop fraud probe into PM Andrej Babis”, DW, 2 September 2019, <https://www.dw.com/en/czech-prosecutors-drop-fraud-probe-into-pm-andrej-babis/a-50255477>.
- 53 “About Agrofert”, Agrofert, <https://www.agrofert.cz/en/about-agrofert>; Yveta Kasalická, “The new Czech media owners”, Progetto Repubblica Ceca, 28 July 2014, <http://www.progetto.cz/i-nuovi-padroni-dei-media-cechi/?lang=en>; Michal Černý, “Reporters on the Czech website: an overview of news servers”, Lupa, 13 February 2008, <https://www.lupa.cz/clanky/zpravodajci-na-ceskem-webu-prehled/>; “About the company”, MAFRA, <https://www.mafra.cz/english.aspx>.
- 54 Daniel Morávek, “Babiš transferred Agrofert to trust funds, but the company will return to him”, Podnikatel, 3 February 2017, <https://www.podnikatel.cz/clanky/babis-prevedl-agrofert-do-sverenskych-fondu-firma-se-mu-ale-vrati/>; “Shareholder informed the management of the companies AGROFERT and SynBioI on the transfer of shares into Trusts”, Agrofert, 3 February 2017, <https://www.agrofert.cz/en/events-and-news/shareholder-informed-the-management-of-the-companies-agrofert-and-synbiol-on-the>.
- 55 “About Agrofert”, Agrofert, <https://www.agrofert.cz/en/about-agrofert>.
- 56 Ibid.
- 57 David Ondráčka, “Andrej Babiš is our controlling person (beneficial owner), says Agrofert”, Transparency International, 22 June 2018, <https://www.transparency.org/en/press/andrej-babish-is-our-controlling-person-czech-republic>; “Register of public sector partners”, Ministry of Justice of the Slovak Republic, 1 February 2017, <https://rpvs.gov.sk/rpvs/Partner/Partner/HistorickyDetail/7859>.
- 58 “Rebuttal of misinformation from Transparency International”, Agrofert, 19 June 2018, <https://www.agrofert.cz/en/events-and-news/rebuttal-of-misinformation-from-transparency-international>.
- 59 David Ondráčka, “Andrej Babiš is our controlling person (beneficial owner), says Agrofert”, Transparency International, 22 June 2018, <https://www.transparency.org/en/press/andrej-babish-is-our-controlling-person-czech-republic>.
- 60 Daniel Morávek, “Babiš transferred Agrofert to trust funds, but the company will return to him”, Podnikatel, 3 February 2017, <https://www.podnikatel.cz/clanky/babis-prevedl-agrofert-do-sverenskych-fondu-firma-se-mu-ale-vrati/>.
- 61 Specifically, Article 57 of Regulation (EU, Euratom) No 966/2012 and Article 61 of Regulation (EU, Euratom) 2018/1046: “European Parliament resolution of 14 September 2017 on transparency, accountability and integrity in the EU institutions”, European Parliament, 14 September 2017, [https://www.europarl.europa.eu/doceo/document/TA-8-2017-0358\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-8-2017-0358_EN.html).
- 62 Jakub Dürr, “Final Audit Report: Audit No. REGC414CZ0133”, European Commission, 2019, 19, [https://ec.europa.eu/regional\\_policy/sources/docoffic/official/reports/cz\\_functioning\\_report/cz\\_functioning\\_report\\_en.pdf](https://ec.europa.eu/regional_policy/sources/docoffic/official/reports/cz_functioning_report/cz_functioning_report_en.pdf).
- 63 Michael W. Hudson et al., “Global banks defy U.S. crackdowns by serving oligarchs, criminals and terrorists”, ICIJ, 20 September 2020, <https://www.icij.org/investigations/fincen-files/global-banks-defy-u-s-crackdowns-by-serving-oligarchs-criminals-and-terrorists/>.
- 64 See, for example: “Privacy – violating UBO register misses the mark”, Privacy First, 15 June 2020, <https://www.privacyfirst.nl/aandachtsvelden/wetgeving/item/1193-privacyschending-ubo-register-schiet-doel-voorbij.html>.
- 65 See: Tymon Kiepe and Eva Okunbor, “Beneficial ownership data in procurement”, Open Ownership, March 2021, <https://www.openownership.org/uploads/OO%20BO%20Data%20in%20Procurement.pdf>.
- 66 See, for example: Kim, P.S., Halligan, J., Cho, N., Oh, C. and Eikenberry, A. (2005) ‘Towards Participatory and Transparent Governance: Report on the Sixth Global Forum on Reinventing Government’, Public Administration Review 65 (6): 646-654. 649; Hazell, R. and Worthy, B. (2009) ‘Impact of Freedom of Information on Central Government’, unpublished end of award report to the Economic and Social Research Council, Constitution Unit, University College, London; John Gaventa and Rosemary McGee, “The Impact of Transparency and Accountability Initiatives”, Development Policy Review, 2 August 2013, [https://assets.publishing.service.gov.uk/media/57a08aabd915d622c00084b/60827\\_DPRGaventaMcGee\\_Preprint.pdf](https://assets.publishing.service.gov.uk/media/57a08aabd915d622c00084b/60827_DPRGaventaMcGee_Preprint.pdf); Capturing the social relevance of government transparency and accountability using a behavioral lens; Stephan Grimmelikhuijsen and Albert Meijer, “Effects of Transparency on the Perceived Trustworthiness of a Government Organization: Evidence from an Online Experiment”, Journal of Public Administration Research and Theory, 24(1):137-157, [https://www.researchgate.net/publication/270814803\\_Effects\\_of\\_Transparency\\_on\\_the\\_Perceived\\_Trustworthiness\\_of\\_a\\_Government\\_Organization\\_Evidence\\_from\\_an\\_Online\\_Experiment](https://www.researchgate.net/publication/270814803_Effects_of_Transparency_on_the_Perceived_Trustworthiness_of_a_Government_Organization_Evidence_from_an_Online_Experiment).
- 67 Tymon Kiepe and Eva Okunbor, “Beneficial ownership data in procurement”, Open Ownership, March 2021, <https://www.openownership.org/uploads/OO%20BO%20Data%20in%20Procurement.pdf>.



- 68 See, for instance: Cynthia O'Murchu and Robert Smith, "Gupta carved up business empire in attempt to secure UK Covid loans", *Financial Times*, 15 April 2021, <https://www.ft.com/content/b2c846db-2537-47e3-a75d-5118c69ba54a>.
- 69 Associated Press, "Not Like Every Time: Beirut Blast Victims Want the Truth", *Voices of America*, 6 February 2021, <https://www.voanews.com/middle-east/not-every-time-beirut-blast-victims-want-truth>.
- 70 "Beirut Explosion: What We Know So Far", BBC, 11 August 2020, <https://www.bbc.com/news/world-middle-east-53668493>.
- 71 Felipe Arizon "The Arrest News" 11, *Shiparrested.com*, October 2015, <https://shiparrested.com/wp-content/uploads/2016/02/The-Arrest-News-11th-issue.pdf>.
- 72 Ibid.
- 73 "Beirut Explosion: What We Know So Far", BBC, 11 August 2020, <https://www.bbc.com/news/world-middle-east-53668493>.
- 74 "George Haswani", *Counter Extremism Project*, n.d., <https://www.counterextremism.com/extremists/george-haswani>.
- 75 Graham Barrow and Ray Blake, "British Shells and the Beirut Blast", *The Dark Money Files* podcast, 17 January 2021, <https://podcasts.apple.com/us/podcast/british-shells-and-the-beirut-blast/id1448635132?i=1000505495826>.
- 76 Martin Kenney, "Martin Kenney: Open company UBO registers are not the panacea to financial crime", *The FCPA Blog*, 7 May 2018, <https://fcpublog.com/2018/5/7/martin-kenney-open-company-ubo-registers-are-not-the-panacea/>.
- 77 Tymon Kiepe, "Verification of Beneficial Ownership Data", *Open Ownership*, 7, <https://www.openownership.org/uploads/OpenOwnership%20Verification%20Briefing.pdf>.
- 78 "Briefing: The case for beneficial ownership as open data", *Open Ownership*, 3, <https://www.openownership.org/uploads/briefing-on-beneficial-ownership-as-open-data.pdf>.
- 79 Tymon Kiepe, "Verification of Beneficial Ownership Data", *Open Ownership*, <https://www.openownership.org/uploads/OpenOwnership%20Verification%20Briefing.pdf>.
- 80 "The Companies We Keep: What the UK Open Data Register Actually Tells Us About Company Ownership", *Global Witness*, July 2018, <https://www.globalwitness.org/en/campaigns/corruption-and-money-laundering/anonymous-company-owners/companies-we-keep/#chapter-0/section-0>.
- 81 "Corporate transparency and register reform: Consultation on options to enhance the role of Companies House and increase the transparency of UK corporate entities", *Department for Business, Energy and Industrial Strategy*, May 2019, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/819994/Corporate\\_transparency\\_and\\_register\\_reform.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/819994/Corporate_transparency_and_register_reform.pdf).
- 82 "Corporate Transparency and Register Reform: Government response to the consultation on options to enhance the role of Companies House and increase the transparency of UK corporate entities", *Department for Business, Energy and Industrial Strategy*, 18 September 2020, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/925059/corporate-transparency-register-reform-government-response.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925059/corporate-transparency-register-reform-government-response.pdf).
- 83 See, for example: J. Patrick Meagher, "Corporate measures to prevent and detect corruption in Asia and the Pacific: Frameworks and Practices in 31 Jurisdictions", *ADB and OECD*, 11, <https://www.oecd.org/site/adbocdanti-corruptioninitiative/ADB-OECD-Corporate-Measures-to-Prevent-and-Detect-Corruption-ENG.pdf>; Bianca Vaz Mondo, "Accountability as a Deterrent to Corruption: New Evidence from Brazilian Municipalities", *ECPR*, 2015, <https://ecpr.eu/Events/Event/PaperDetails/23591>.
- 84 Gemma Cartin, "Offshore in the UK, Analysing the Use of Scottish Limited Partnerships in Corruption and Money Laundering", *Transparency International UK*, June 2017, [https://www.transparency.org.uk/sites/default/files/pdf/publications/Offshore\\_In\\_The\\_UK\\_TIUK\\_June\\_2017.pdf](https://www.transparency.org.uk/sites/default/files/pdf/publications/Offshore_In_The_UK_TIUK_June_2017.pdf).
- 85 Jaccy Gascoyne, "The Use of Scottish Limited Partnerships in Money laundering Schemes", *MLROs.com*, n.d., <https://mlros.com/the-use-of-scottish-limited-partnerships-in-money-laundering-schemes/>; David Leask and Richard Smith, "Scots shell companies used to launder £4 billion out of Russia", *The Herald*, 27 March 2017, <https://www.heraldscotland.com/news/15183346.scots-shell-companies-used-to-launder-4-billion-out-of-russia/>.
- 86 Ibid.
- 87 "Hard Data on Lessons Learned from the UK Beneficial Ownership Register", *Global Witness*, 30 May 2019, [https://www.globalwitness.org/documents/19733/GW.Fact\\_Sheet\\_on\\_UK\\_Register\\_Data\\_for\\_US.May302019\\_w0hQoid.pdf](https://www.globalwitness.org/documents/19733/GW.Fact_Sheet_on_UK_Register_Data_for_US.May302019_w0hQoid.pdf).
- 88 Ibid.
- 89 Nienke Palstra, "Three ways the UK's register of the real owners of companies is already proving its worth", *Global Witness*, 24 July 2018, <https://www.globalwitness.org/en/blog/three-ways-uks-register-real-owners-companies-already-proving-its-worth/>.
- 90 "Principles for Effective Beneficial Ownership Disclosure", *Open Ownership*, n.d., <https://www.openownership.org/principles/>.
- 91 "Best Practices on Beneficial Ownership for Legal Persons", *FATF*, Paris, October 2019, 22, <https://www.fatf-gafi.org/media/fatf/documents/Best-Practices-Beneficial-Ownership-Legal-Persons.pdf>.
- 92 Maira Martini, "Who is behind the wheel? Fixing the global standards on company ownership", *Transparency International*, 2019, 3, [https://images.transparencycdn.org/images/2019\\_Who\\_is\\_behind\\_the\\_wheel\\_EN.pdf](https://images.transparencycdn.org/images/2019_Who_is_behind_the_wheel_EN.pdf).
- 93 "Anti-Money Laundering and Combating the Financing of Terrorism: Federative Republic of Brazil", *FATF and OECD*, 25 June 2010, 210-214, <https://www.fatf-gafi.org/media/fatf/documents/reports/mer/MER%20Brazil%20full.pdf>. Note: although the national company register does not hold BO data on individuals, which is held by the tax authority, it does hold all the data on legal entities.
- 94 "Review of the implementation of the PSC Register", *Department for Business, Energy and Industrial Strategy*, March 2019, 34, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/822823/review-implementation-psc-register.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/822823/review-implementation-psc-register.pdf).
- 95 "Regulatory impact analysis: Disclosure of beneficial ownership of unlisted companies", *HM Treasury and DTI*, July 2002, [https://webarchive.nationalarchives.gov.uk/+/http://www.hm-treasury.gov.uk/media/9/9/ownership\\_long.pdf](https://webarchive.nationalarchives.gov.uk/+/http://www.hm-treasury.gov.uk/media/9/9/ownership_long.pdf).
- 96 "Budget 2021", *Government of Canada*, Part 4, Chapter 10.1, <https://www.budget.gc.ca/2021/report-rapport/p4-en.html#261>.
- 97 See: "Tracking Beneficial Ownership and the Proceeds of Corruption: Evidence from Nigeria – Interim Project Report", *Northumbria University and Global Integrity Anti-Corruption Evidence (ACE) Programme*, n.d., <https://ace.globalintegrity.org/wp-content/uploads/2020/11/FCDO-project-Interim-Report-Final.pdf>.
- 98 In Ghana, BO data is currently free and accessible for competent authorities and civil society organisations, but accessible to the public for a small fee. Jemima Oware, quote from online event "Webinar: High-level discussion on beneficial ownership transparency in Africa", 19 May 2021, <https://eiti.org/event/beneficial-ownership-transparency-in-africa>.
- 99 Deloitte, 112.
- 100 Ibid, 114.
- 101 Ibid, 24.
- 102 Ibid, 116.



- 103** “The Open UBO Register (English edition): A study into the implementation in the Netherlands of Directive 2018/843”, ICTRECHT, 25 May 2020, 44, <https://openstate.eu/wp-content/uploads/sites/14/2020/06/25052020-Het-Open-UBO-Register-ENG-NL.pdf>.
- 104** Graham Barrow and Ray Blake, “British Shells and the Beirut Blast”, The Dark Money Files podcast, 17 January 2021, <https://podcasts.apple.com/us/podcast/british-shells-and-the-beirut-blast/id1448635132?i=1000505495826>.
- 105** Nienke Palstra, “10 lessons from the UK’s public register of the real owners of companies”, Global Witness, 23 October 2017, <https://www.globalwitness.org/en-gb/blog/10-lessons-uks-public-register-real-owners-companies/>; “Annual Report and Accounts 2016/17”, Companies House, 18 July 2017, 7, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/633763/CompaniesHouse\\_AnnualReport\\_2017\\_web\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/633763/CompaniesHouse_AnnualReport_2017_web_version.pdf).
- 106** Danny Lämmerhirt, “Avoiding data use silos: How governments can simplify the open licensing landscape”, Open Knowledge International, December 2017, <https://research.okfn.org/avoiding-data-use-silos/>
- 107** See <https://opendefinition.org/licenses/>
- 108** “Principles”, Open Ownership.
- 109** Deloitte, 112-118.
- 110** “How accessible are BO registers across the EU”, Transparency International, May 2021 (Forthcoming).
- 111** Deloitte, 141.
- 112** Deloitte, 381.
- 113** For example, the Netherlands, Germany, and Italy. See: Deloitte, 119-120
- 114** “Companies House business plan 2020 to 2021”, Companies House, 29 September 2020, <https://www.gov.uk/government/publications/companies-house-business-plan-2020-to-2021/companies-house-business-plan-2020-to-2021#our-finances-and-resources>.
- 115** “Companies House fees”, Companies House, 6 January 2021, <https://www.gov.uk/government/publications/companies-house-fees/companies-house-fees>.
- 116** “Ease of doing business in United Kingdom”, World Bank, 2020, te.
- 117** For more information, please see: Adriana Edmeades-Jones, Tom Parker, and Tom Walker, “Data protection and privacy in beneficial ownership disclosure”, The B Team, The Engine Room, and Open Ownership, May 2019, <https://www.openownership.org/uploads/oo-data-protection-and-privacy-188205.pdf>.
- 118** Alan Travis, “ID cards scheme to be scrapped within 100 days”, The Guardian, 27 May 2010, <https://www.theguardian.com/politics/2010/may/27/theresa-may-scrapping-id-cards>; “Identity cards are to be scrapped”, GOV.UK, 27 May 2010, <https://www.gov.uk/government/news/identity-cards-are-to-be-scrapped>.
- 119** “Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018”, Official Journal of the European Union, 19 June 2018, 28, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L0843&from=EN>.
- 120** “Case C-601/20”, Court of Justice of the European Union, 13 November 2020, <https://curia.europa.eu/juris/showPdf.jsf?text=&docid=235961&pagelndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=4974448>; “Case C-37/20”, Court of Justice of the European Union, 24 January 2020, <https://curia.europa.eu/juris/showPdf.jsf?sessionid=B3B63A86DA4477C1773F9176D8CAD6E3?text=&docid=225905&pagelndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=4970639>.
- 121** “Dagvaarding in Kort Geding”, Privacy First, 4 January 2021, 6, [https://www.privacyfirst.nl/images/stories/UBO/2021-01-05\\_KG\\_dagvaarding\\_UBO\\_register\\_PrivacyFirst\\_def.pdf](https://www.privacyfirst.nl/images/stories/UBO/2021-01-05_KG_dagvaarding_UBO_register_PrivacyFirst_def.pdf).
- 122** “Uitspraken: ECLI: NL: RBDHA: 2021: 2457”, de Rechtspraak, 18 March 2021, <https://uitspraken.rechtspraak.nl/inziendocument?id=ECLI:NL:RBDHA:2021:2457>.
- 123** Deloitte, 366.
- 124** “Overseas Territories: adopting publicly accessible registers of beneficial ownership”, Foreign, Commonwealth and Development Office, 14 December 2020, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/943307/SAMLA\\_s51\\_Draft\\_Order\\_in\\_Council.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/943307/SAMLA_s51_Draft_Order_in_Council.pdf).
- 125** John McKendrick QC, “Case Study: The Cayman Islands, Privacy rights and Data Protection in the Context of Publication of Beneficial Ownership Information”, February 2021 (Unpublished).
- 126** “Summary of GDPR derogations in the Data Protection Bill”, Department for Digital, Culture, Media and Sport, 7 August 2017, [https://iapp.org/media/pdf/resource\\_center/UK-GDPR-derogations.pdf](https://iapp.org/media/pdf/resource_center/UK-GDPR-derogations.pdf).
- 127** “Personal information charter”, Companies House, GOV.UK, n.d., <https://www.gov.uk/government/organisations/companies-house/about/personal-information-charter>.
- 128** “Data Protection Act 2018”, Legislation.gov.uk, Section 8, 2018, <https://www.legislation.gov.uk/ukpga/2018/12/section/8/enacted>.
- 129** Mora Johnson, “A Public Beneficial Ownership Registry and the Canadian Privacy Regime: A Legal Analysis”, Publish What You Pay Canada, Canadians for Tax Fairness, and Transparency International Canada, October 2019, <https://static1.squarespace.com/static/5c8938b492441bf93fdbc536/t/5eac6dd026b8946d37f7d8e2/1588358609932/endsnowwashing-public-beneficial-ownership-registry.pdf>.
- 130** Ibid, 16.
- 131** Ibid, 19.
- 132** Ibid, 19.
- 133** See: Thom Townsend, “Effective consultation processes for beneficial ownership transparency reform”, Open Ownership, June 2020, <https://www.openownership.org/uploads/open-ownership-effective-consultation-processes-for-bot.pdf>.
- 134** “Privacy or public interest? Making the case for public information on company ownership”, The B Team, The Engine Room, and Open Ownership, March 2019, 4, <https://www.openownership.org/uploads/privacy-report-summary.pdf>.
- 135** See the OO Principle “Sufficient Detail”: “Sufficient Detail”, Open Ownership, n.d., <https://www.openownership.org/principles/sufficient-detail/>.
- 136** “Review of the implementation of the PSC Register”, Department for Business, Energy and Industrial Strategy, March 2019, 43, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/822823/review-implementation-psc-register.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/822823/review-implementation-psc-register.pdf).
- 137** Sjoerd Peters and Gonnie Smelting, “Ensuring the effectiveness of the UBO-register by making it publicly available with fewer access restrictions: Recommendations regarding the public accessibility of the UBO register”, Information Law and Policy Lab, Amsterdam, 31 January 2020, 8, <https://openstate.eu/wp-content/uploads/sites/14/2020/02/ILP-Lab-Ensuring-the-effectiveness-of-the-UBO-register-by-making-it-publicly-available-with-fewer-access-restrictions.pdf>.
- 138** Ibid, 6.



#### Author

**Tymon Kiepe**

with contributions by

Louise Russell-Prywata

Thom Townsend

#### Editors

Cara Marks

Victor Ponsford

#### Reviewers

Lakshmi Kumar,  
Global Financial Integrity

Maïra Martini,  
Transparency International


Sasha Caldera,  
Publish What You Pay Canada

#### Design

Convincible Media

Published by

**openownership.org**

 @openownership

c/o Global Impact, 1199 North Fairfax Street, Suite 300, Alexandria, VA 22314, USA

**Open  
Ownership**

