

# The Open Ownership Principles



For effective beneficial ownership disclosure

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# Overview

The Open Ownership Principles (OO Principles) are a framework for considering the elements that influence whether the implementation of reforms to improve the transparency of the beneficial ownership of corporate vehicles will lead to *effective beneficial ownership disclosure*, that is, it generates high-quality and reliable data, maximising usability for users.

The OO Principles are intended to support governments implementing effective beneficial ownership transparency reforms and guide international institutions, civil society, and private sector actors in understanding and supporting reforms. They are a tool to identify and separate issues affecting implementation, and they provide a framework for assessing and improving existing disclosure regimes. If implemented together, the OO Principles enable disclosure systems to generate actionable and usable data across the widest range of policy applications of beneficial ownership data.

The nine principles are interdependent, but can be broadly grouped by the three main ways they improve data. The Definition, Coverage, and Detail principles enable data **disclosure and collection**. The Central register, Access, and Structured data principles facilitate data **storage and auditability**. Finally, the Verification, Up-to-date and historical records, and Sanctions and enforcement principles improve data **quality and reliability**.

The OO Principles, first published in December 2020, are based on Open Ownership's work with over 40 countries as well as consultations with government, private sector, and civil society actors conducted in early 2021. They are informed by the findings of practitioners and academic researchers, established good practices for open data, and international standards set by the Financial Action Task Force (FATF), the Extractive Industries Transparency Initiative (EITI), and the United Nations Convention Against Corruption (UNCAC). The OO Principles focus on the technical characteristics of effective disclosure regimes rather than the external political, social, economic, and cultural factors that are known to influence implementation and impact.

## The Principles

Disclosure and collection

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As the policy area of beneficial ownership transparency continues to evolve, the OO Principles are iteratively refined and updated on a regular basis based on Open Ownership's collective knowledge and experience. This is to ensure the framework remains current and well placed to lead to actionable and usable data, maximising the potential for impact. Suggestions, feedback, and comments to feed into the revision of the OO Principles are welcome, and can be sent to: [principles@openownership.org](mailto:principles@openownership.org). Historical versions are available at:

[www.openownership.org/principles](http://www.openownership.org/principles)



## Definition

### **Beneficial ownership should be clearly and robustly defined in law, with sufficiently low thresholds set to ensure all relevant ownership and control interests are disclosed**

- A robust and clear definition of beneficial ownership should state that a beneficial owner should be a natural person, and should cover all relevant forms of ownership (including deriving benefit from) and control, specifying that ownership and control can be held both directly and indirectly.
- There should be a single, unified definition in law in primary legislation, with additional secondary legislation referring to this definition, specifying what the definition means when applied to certain corporate vehicles, such as legal arrangements or state-owned enterprises (SOEs).
- Legislation should include a broad, catch-all definition of what constitutes beneficial ownership, coupled with a non-exhaustive list of example ways in which beneficial ownership can be held.
- Thresholds should be set sufficiently low so that all relevant individuals with beneficial ownership and control interests are included in declarations. A risk-based approach should be considered to set lower thresholds for particular sectors, industries, or people, depending on the policy objectives set.
- Definitions should include a clear prohibition of who does not qualify as a beneficial owner, including agents, custodians, intermediaries, and nominees acting on behalf of another person qualifying as a beneficial owner.
- When the criteria to be a beneficial owner are met through two or more individuals acting jointly, each individual should be considered a beneficial owner, and each individual should be assumed to have combined ownership and control in full. Definitions should specify when joint action is assumed.
- Where no individual meets the definition of a beneficial owner, countries should require the disclosure of the name of a natural person in a senior role with managerial responsibility for the corporate vehicle in question, making clear that this person is not a beneficial owner.

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Clearly defining beneficial ownership and ensuring it covers all relevant forms of ownership and control makes a disclosure regime less vulnerable to exploitation by those seeking to abuse the system. Ownership should include the right to use, enjoy, and derive income or other benefits from a corporate vehicle or its assets.

Using sufficiently low thresholds to determine ownership or control reduces the risk that someone with relevant ownership or control remains hidden. Extremely low thresholds may become too labour or cost-intensive without providing useful insight into significant ownership or control. A risk-based approach can help determine



appropriate thresholds that balance these factors, bearing in mind the country's policy aims. Lower thresholds may be warranted for high-risk sectors, industries, and people.

Definitions should be harmonised nationally for clarity and to facilitate compliance. Where possible, definitions should be harmonised regionally and internationally, or similar minimum standards should be adopted. When defining beneficial ownership, governments should give consideration to how to treat minors and other legally incapable individuals within the context of the legal system.

### **Resources**

- [Beneficial ownership in law: Definitions and thresholds](#)
- [Guide to implementing beneficial ownership transparency: Legal aspects of creating a register](#)



## Coverage

### Disclosure requirements should comprehensively cover all relevant types of entities and arrangements

- Disclosure requirements should apply to all types of corporate vehicles, unless reasonably exempt.
- Any exemptions from full declaration requirements should be clearly defined and justified against policy aims, and they should be reassessed on an ongoing basis.
- Exemptions from disclosing beneficial ownership may be granted when an entity or arrangement is already disclosing sufficient information and this information is accessible through alternative mechanisms (e.g. for publicly listed companies listed on exchanges with sufficient disclosure requirements).
- Entities and arrangements exempt from disclosing their beneficial ownership should still be required to make declarations, including the basis for their exemption.
- All exemptions should be interpreted narrowly.

All corporate vehicles with or without distinct legal personalities through or by which assets can be owned, benefitted from, and controlled should be required to make declarations about their beneficial ownership. This should include all types of companies (including state-owned enterprises), partnerships, foundations, trusts, and other entities and arrangements through which commercial activities are conducted and assets are held. Comprehensive coverage of different entity and arrangement types is important because if certain types of corporate vehicles are not covered, this creates a potential loophole that can be exploited for illegitimate purposes.

Disclosure regimes should take the inclusion of all relevant types of corporate vehicles as a starting point and subsequently assess which entities and arrangements can be excluded (for instance, where it is already disclosing sufficient information about its beneficial ownership through another mechanism). These assessments and

justifications should be made public. In all cases, exemptions should be specified in legislation and be narrowly interpreted.

#### Resources

- [Guide to implementing beneficial ownership transparency: Legal aspects of creating a register](#)



## Detail

### **Beneficial ownership declarations should collect sufficient detail to allow users to understand and use the data**

- Information should be collected about:
  - the beneficial owner(s);
  - their status as beneficial owner(s) (i.e. the means through which ownership or control is held); and
  - the declaring corporate vehicle and individual submitting the declaration.
- Information should be collected in a standardised way through online forms, with clear guidance that facilitates compliance.
- Sufficient information should be collected to be able to unambiguously identify people, entities, and arrangements, using clear identifiers, and to enable the accuracy of the data to be verified to a reasonable level.
- Information required to be disclosed should be enumerated in law and limited to what is necessary to achieve the policy objective, with a clearly stated purpose and legal basis.
- Where beneficial ownership is held indirectly through multiple entities or arrangements, or ownership or control are exerted formally or informally through another natural person, sufficient information should be collected to understand full ownership chains.
- Where beneficial ownership can be expressed as a percentage, for example, when held through shares, absolute values should be collected.
- Information about any state ownership or control (domestic or foreign) and individuals holding positions of control specific to state-owned enterprises (e.g. senior managing officials) should be collected.

Collecting sufficient fields of data about the beneficial owner and the declaring entity or arrangement enables users to interpret the data and determine which individuals and corporate vehicles the declaration refers to, and to reasonably verify the accuracy of the information. It may be necessary to collect different information about different groups of individuals in order to achieve this (e.g. domestic versus foreign beneficial owners).

Using clear identifiers helps disambiguate between and match different people, entities and arrangements. This is important, for instance, when entities emulate the names

of respectable companies. In line with the principle of data minimisation, jurisdictions should limit collection to what is necessary to achieve their policy aims and ensure that this conforms to privacy and data protection legislation.

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Rather than ranges, collecting absolute values when disclosing the percentage of ownership or control will assist users in understanding how ownership or control is held, and enable verification. This is particularly important when ownership or control is held indirectly, and should be done by collecting data through online forms with clear guidance. Where ownership or control is held indirectly through other entities or arrangements, full visibility of ownership chains is important for understanding and verifying how ownership and control are exercised. Governments should explicitly require the disclosure of stakes held by states, directly or indirectly, and distinguish state ownership from private ownership by collecting information in a consistent and defined format.

### Resources

- [Beneficial ownership declaration forms: Guide for regulators and designers](#)
- [Example beneficial ownership declaration form](#)
- [Example paper forms for collecting beneficial ownership data](#)
- [Guide to implementing beneficial ownership transparency: Legal aspects of creating a register](#)



# Central register

## Data should be collated in a central register

- Beneficial ownership disclosures should be collated and held within a central register.
- The central register should be an authoritative source of beneficial ownership information, with a designated responsible body.

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A central register should be a digital repository that stores statutory declarations of beneficial ownership that are updated on a continuous basis. The register should serve as an authoritative source of information on the beneficial ownership of entities and arrangements, which users inside and outside of government can draw from and use as a point of reference. It provides a coordination function for the collection and distribution of information as well as a common infrastructure for business processes and managing data quality.

Having centralised beneficial ownership data means that people and authorities can access authoritative information on the beneficial ownership of corporate vehicles, from anywhere in a disclosure system, rapidly in a standardised format. This could be achieved by being able to access interoperable beneficial ownership data through a single portal. This is a prerequisite for the effective use of beneficial ownership data by all user groups, as it removes some of the practical and cost barriers to accessing and analysing beneficial ownership information.

Maintaining a central beneficial ownership register contributes to meeting the requirements of the Financial Action Task Force (FATF) Recommendations. Analysis of FATF country evaluations demonstrates that countries with a central register perform better against the FATF's requirement to ensure timely access to adequate, accurate, and up-to-date information on the beneficial ownership of legal persons.

### Resources

- [Making central beneficial ownership registers public](#)
- [Guide to implementing beneficial ownership transparency: Systems for beneficial ownership registers](#)





## Access

### **Sufficient information should be accessible to all data users without undue restrictions**

- Sufficient information should be accessible to each data user group that can contribute to meeting intended policy aims.
- All government users and additional user groups whose access is justified to meet specific policy aims should have direct and rapid access to the data they require, on a per-record basis (searchable by both the name of the corporate vehicle and the beneficial owner) and as bulk data.
- The public should have access to a clearly defined subset of information that is sufficient for them to understand and meaningfully use the data, free of charge.
- Data should be available without barriers to access, search, use, and share the data, such as identification or registration requirements, and restrictive search functionality or licensing.
- The publication of information should be proportional to the infringements on privacy, by clearly establishing a broad purpose and legal basis, in line with privacy and data protection legislation, and by understanding and mitigating potential negative effects of the publication of data.
- Disclosure regimes should permit withholding the publication of certain data on a case-by-case basis as part of a protection regime to mitigate disproportionate risks to personal safety. The grounds for withholding the publication of any data should be clearly defined, proportionate, fairly applied, and published.
- Where information is exempt from disclosure to the register, or withheld from publication, the exemption should be clearly defined, justified, and narrowly interpreted, and the publicly available information should note the reason information has been exempted from disclosure or withheld from publication.

All user groups that can use beneficial ownership information to achieve stated policy aims, both inside and outside governments, should have access to sufficient information in order to meaningfully use the data. This access should be given without undue restrictions and in line with privacy and data protection legislation. What constitutes sufficient information can vary according to the user group. For example, law enforcement may need access to the full dataset to assist an investigation, whereas a company undertaking due diligence would only need specific information relevant to their work.

The publication of beneficial ownership information serves multiple legitimate public interest purposes, including providing oversight to taxpayers, ensuring corporate accountability, and increasing confidence in markets. Providing public access to a subset of beneficial ownership information can increase impact by expanding the user base beyond authorities. It enables businesses, journalists, foreign law enforcement, and citizens from around the world to freely access information on the beneficial ownership of corporate vehicles for investigations, due diligence, risk management, and oversight. Widespread use of data can also drive up its quality, as users can highlight discrepancies and suspected errors



in the data, which can complement verification efforts. Public access to the beneficial ownership information of companies involved in the extractive industries contributes to meeting the requirements of the Extractives Industries Transparency Initiative (EITI) Standard.

Making information available should be both proportional to the infringements on privacy as well as compliant with data protection and privacy legislation. In practice, this means that the broad purpose for publication and a clear legal basis should be specified in law. Different user groups can be given access to subsets of the minimum information they need to effectively use the data in a system of layered (or tiered) access, and potential negative effects of publication should be understood and mitigated to the extent possible, for example, through a protection regime.

In instances where data is withheld from publication, due to exemptions or under a protection regime, this should not automatically constitute an exemption from disclosure to the registry. Their beneficial ownership interests will still need to be disclosed, and this information should still be available to authorities. In all cases where information is missing, the public record should state why to be able to easily interpret the data.

## Resources

- [Making central beneficial ownership registers public](#)
- Early impacts of public registers of beneficial ownership:
  - [Slovakia](#)
  - [Ukraine](#)
  - [United Kingdom](#)
- [Data protection and privacy in beneficial ownership disclosure](#)
- [Guide to implementing beneficial ownership transparency: Legal aspects of creating a register](#)
- [Guide to implementing beneficial ownership transparency: Publishing beneficial ownership information](#)



## Structured data

### **Beneficial ownership information should be collected, stored, and shared as structured and interoperable data**

- Beneficial ownership data should be collected, stored, and shared as structured data in a way that can be used to identify all parties and describe the full range of relationships that can exist in a beneficial ownership declaration, using clear identifiers.
- Data should conform to a specified data template and format, with an appropriate licence and sufficient documentation, including a publication policy.
- Sufficient information should be captured to create an auditable record, including dates and reasons for specific changes.
- Data should be available digitally, including in machine-readable formats.
- Data should be auditable by users by making it available in a range of ways, including in a browsable format, a bulk format, on a per-record basis, and via an application programming interface (API).

Structured data is data that is highly organised according to a predefined model. Collecting, storing, and making beneficial ownership information available as structured and interoperable data improves its functionality. It reduces the cost of producing, using, and maintaining the information, and has a greater chance of meeting beneficial ownership transparency policy goals. For example, it enables new types of analysis for both technical and non-technical users by allowing websites, apps, and other tools to readily process the data.

Structured data can be more easily analysed and linked with other datasets. Using clear identifiers (e.g. the [Legal Entity Identifier](#) or LEI, for legal entities and arrangements, and taxpayer numbers for people) makes it easier to match declarations about the same people or corporate vehicles and distinguish between those with similar details. Linking data can give visibility of transnational ownership structures, and it can enable beneficial ownership data to be automatically used in procurement or licensing processes. When beneficial ownership data is

structured and interoperable, it is also easier to verify, as a greater range of automated and manual verification mechanisms can be used.

The [Beneficial Ownership Data Standard \(BODS\)](#) is a template for publishing structured data about beneficial ownership in a format (JavaScript Object Notation or JSON) that can be read and understood by computer systems around the world. An appropriate licence for the data and sufficient accompanying documentation in the form of a publication policy can enable data use and help resolve any uncertainties over the published data.

Sufficient information should be captured to make beneficial ownership records auditable, meaning it is easy to access, interpret, and check. Clear dates and reasons for updates should be included as part of the record. These include updates due to real-world changes, such as a change of beneficial owner or annual reporting requirements, and corrections to the historical record that are made by the registrar. In cases where information was



previously published but subsequently exempted from publication under a protection regime, relevant records should be redacted.

Ensuring the data is auditable, by making it available in a range of formats, allows it to reach its full potential. For example, when data is machine readable and available in bulk, multiple declarations can be analysed together. This allows users, such as financial intelligence units (FIUs), procurement agencies, banks, and journalists, to apply novel data analysis techniques to achieve aims like detecting suspicious patterns of ownership or identifying beneficial owners that appear in other relevant datasets (for example, sanctions lists). Making the data available through other modes, such as an API, can enable further data use and reuse.

### Resources

- [Structured and interoperable beneficial ownership data](#)
- [Beneficial Ownership Data Standard \(BODS\)](#)
- [Building an auditable record of beneficial ownership](#)
- [Beneficial ownership data in procurement](#)
- [Guide to implementing beneficial ownership transparency: Data considerations for beneficial ownership registers](#)



# Verification

## Measures should be taken to verify the data

- Measures should be taken to verify information about:
  - the corporate vehicle(s);
  - the beneficial owner(s);
  - their status as beneficial owner(s) (i.e. the means through which ownership or control is held); and
  - the individual(s) making the declaration.
- Mechanisms to verify the information when it is submitted should include:
  - ensuring values conform to known and expected patterns;
  - ensuring values are real and exist by cross-checking information against existing authoritative systems and other government registers; and
  - checking supporting evidence against original documents.
- After information has been submitted, the responsible agency should proactively check the information to identify potential errors, inconsistencies, and outdated entries, and query, remove, or update the data where necessary. The responsible agency should have the legal responsibility, mandate, and powers to do so.
- Mechanisms should be in place to raise red flags, both by requiring parties dealing with beneficial ownership data to report discrepancies and by setting up systems to detect suspicious patterns based on experience and evidence.
- Ownership types that are difficult or impossible to verify (e.g. bearer shares) should be prohibited.

To maximise the impact of beneficial ownership registers, it is important that users and authorities can trust that the representation of ownership in a register reflects the reality of who owns or controls a particular corporate vehicle. Verification is a combination of checks and processes that helps ensure that beneficial ownership data is accurate and complete at a given point in time. Verifying the identity and status of beneficial owners to confirm their accuracy is a requirement of the Financial Action Task Force (FATF) Recommendations. Checks can be deployed at different stages in a declaration system with

the aim of making data high quality and reliable in order to add levels of assurance, create confidence in a register, and maximise its utility and impact.

### Resources

- [Verification of beneficial ownership data](#)
- [Guide to implementing beneficial ownership transparency: Data considerations for beneficial ownership registers](#)



## Up-to-date and historical records

### Data should be kept up to date and historical records should be maintained

- Initial registration and subsequent changes to beneficial ownership should be legally required to be submitted in a timely manner, with information updated within a short, defined time period after any changes occur.
- Data should be legally required to be periodically confirmed as correct, on at least an annual basis.
- All changes in beneficial ownership should be legally required to be reported.
- Information should be kept for a reasonable and specified number of years, including for dormant and dissolved corporate vehicles.

A beneficial ownership register is a record of information that builds up over time and reflects a timeline of statements about ownership and control. New information about the ownership and control of a corporate vehicle supersedes older information as shares are sold, contracts are signed, company rules are updated, and new entities are incorporated.

Keeping data up to date is crucial for increasing trust in the accuracy of beneficial ownership data and the effectiveness of disclosure regimes. Requiring the timely submission of changes to ownership data or details of natural or legal persons increases the confidence that the data is current; reduces the risk that the beneficial ownership of a corporate vehicle can be misrepresented during a lengthy submission window; and contributes to meeting the requirements of the Financial Action Task Force (FATF) Standard.

Requiring data to be regularly updated, and for those updates to include all changes that occurred since the last declaration, enables auditability and removes the potential for corporate vehicles to disguise short-term changes in beneficial ownership.

It is important to keep historical information, as this can help uncover links that are not immediately evident from

current information. For example, keeping and publishing historical records prevents an entity from obscuring its identity by changing its name, or a beneficial owner to hide by reincorporating. Historical and auditable records are critical for law enforcement to verify ownership claims against. Historical changes can be referred to during investigation even where the accuracy of data is in question, and they can provide evidence of “who knew what when” to assess, for instance, whether due diligence was undertaken effectively at a particular point in time. A publication policy which explains, for instance, why particular information fields may be redacted from declarations after a certain date, will help data users interpret the information.

#### Resources

- [Building an auditable record of beneficial ownership](#)
- [Designing sanctions and their enforcement for beneficial ownership disclosure](#)
- [Guide to implementing beneficial ownership transparency: Legal aspects of creating a register](#)



## Sanctions and enforcement

### Effective, proportionate, and dissuasive sanctions for noncompliance should exist and be enforced

- Effective, proportionate, dissuasive, and enforceable sanctions should exist for non-compliance with disclosure requirements, including:
  - a. non-submission;
  - b. late submission;
  - c. incomplete submission;
  - d. incorrect submission;
  - e. deliberately false submission; and
  - f. persistent noncompliance;
 as well as other obligations related to the disclosure regime.
- Sanctions should cover all the persons involved in declarations and key persons of the corporate vehicle, including the:
  - a. beneficial owner(s);
  - b. declaring person;
  - c. company officers; and
  - d. the declaring corporate vehicle.
- Sanctions should include both administrative and criminal sanctions.
- In order to be dissuasive and not to be seen as merely the cost of doing business, for noncompliance, financial sanctions should be set sufficiently high and be complemented by non-financial sanctions.
- Sanctions and their enforcement should be effectively operationalised, including by clearly determining which authority is responsible to enforce sanctions; ensuring it has sufficient resources, legal mandate, and powers to enforce sanctions; and automating sanctions where possible.

Having adequate sanctions in place, and enforcing these effectively, helps to drive up compliance with disclosure requirements and increase the quality and utility of the data. It is also a requirement of the Financial Action Task Force (FATF) Recommendations. Including sanctions against the beneficial owner, registered officers of the company, and the corporate vehicle making the declaration helps ensure that the deterrent effect of sanctions applies to all the key persons, entities, and arrangements involved in the declaration. This helps incentivise

compliance from the beneficial owner, registered officers, and broader stakeholders involved in the governance and management of the corporate vehicle.

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Sanctions can only act as an effective deterrent if they are enforced. To do this, relevant agencies need both the legal mandate and adequate resources to identify suspected noncompliance, investigate appropriately, and issue sanctions. Sanctions should include both financial and non-financial penalties, which can cover certain business-related rights, such as not being able to incorporate a company or not being paid out dividends from shares. Jurisdictions have taken a number of approaches that have a strong potential to contribute to effectively operationalising sanctions and their enforcement.

### Resources

- [Designing sanctions and their enforcement for beneficial ownership disclosure](#)
- [Verification of beneficial ownership data](#)
- [Guide to implementing beneficial ownership transparency: Legal aspects of creating a register](#)



# Open Ownership



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