



Beneficial ownership transparency and the United Nations Convention against Corruption: progress and recommendations

Submission to United Nations Office on Drugs and Crime following the 2021 United Nations General Assembly Special Session Political Declaration against Corruption

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Introduction

The United Nations General Assembly Special Session against Corruption (UNGASS) made history in June 2021. It adopted a [political declaration](#) against corruption and member states committed to implementing it.¹ As part of the follow-up process to the special session, the Conference of the State Parties (CoSP) to the United Nations Convention against Corruption (UNCAC) has invited contributions from various actors to help report on the implementation of the Convention and the political declaration. Open Ownership welcomes these significant anti-corruption developments and is pleased to make this submission for the two-year anniversary of the adoption of the declaration. We review global progress on beneficial ownership transparency (BOT) since the declaration, and provide recommendations for advancing BOT commitments and their implementation through the UNCAC.

[Open Ownership](#) is an international nonprofit organisation driving the global shift toward transparency over who owns, controls, and benefits from companies and other legal entities (“beneficial owners”). We support governments to make high-quality beneficial ownership (BO) data available and effectively used, and have supported around 40 jurisdictions around the world to implement or improve their beneficial ownership registries and data. Effective use of BO data is critical to help tackle corruption, reduce investment risk, and improve national and global governance. To this end we also provide tools and support to enable all actors to use BO data effectively.

[70% of grand corruption cases from recent decades have involved anonymously-owned companies.](#) In this context, the value of beneficial ownership information as an

anti-corruption and anti-money laundering tool has been recognised by international standard-setting bodies.^{2, 3, 4} The past decade has seen an exponential growth in the number of states committing to develop policy reforms to support the collection and use of BO information for a number of aims including promoting a healthy business environment, protecting national security, combating financial crime, money-laundering, tax evasion and corruption.

However, progress has been slower in turning policy commitments into action. Building on direct technical assistance and research carried out by Open Ownership, this submission highlights evidence of existing good practices and challenges faced by states implementing BOT reforms, and opportunities to accelerate progress through the UNCAC.

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- ¹ The Convention does not define corruption, but instead lists and defines a series of offences that States parties must criminalise, including bribery of national and foreign public officials, as well as embezzlement of a public official. It also includes acts carried out in support of corruption, illicit enrichment, obstruction of justice, trading in influence, and concealment, money laundering, and bribery in the private sector. The Convention uses a functional definition of “public official” and covers anyone who holds a legislative, administrative, executive, or judicial office, performs a public function, or provides a public service (as defined in the domestic law of a country).
 - ² The Conference of the States Parties to the United Nations Convention against Corruption, *Enhancing the use of beneficial ownership information to facilitate the identification, recovery and return of proceeds of crime* (UN, 2021), <https://www.unodc.org/unodc/en/corruption/COSP/session9-resolutions.html#Res.9-7>.
 - ³ Article 11, Resolution adopted by the General Assembly on 2 June 2021 (United Nations General Assembly, 2021), page 5, <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N21/138/82/PDF/N2113882.pdf?OpenElement>
 - ⁴ FATF Recommendations 24 and 25, The FATF Recommendations, (FATF, updated 2023), page 22, <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html>.



Opportunities to strengthen beneficial ownership transparency through the United Nations Convention against Corruption processes

Based on Open Ownership's review of global and national progress on BOT to date, and the role of the UNCAC processes within this, we highlight the following opportunities to further strengthen BOT through these processes and ensure that BOT is an effective anti-corruption tool:

- **Recognise the key roles of the broad range of actors that can help prevent and detect corruption and ensure these actors have timely access, without obstacles, to beneficial ownership information.**

From domestic and foreign law enforcement, procurement and licensing officials, through to multinational companies and small businesses, civil society organisations and journalists, recognising the roles that each actor can play is crucial to strengthening both prevention and detection of corruption. Ensuring these actors have timely access to BO information, in conformance with domestic privacy and data protection legislation but without undue obstacles or barriers, better enables these people and agencies to use BO data to detect and prevent corruption, creating a less conducive environment to the secrecy that supports and enables corrupt acts. In practice this is likely to require a range of measures, including data sharing agreements and a legal regime setting out rights to access data.

- **Place the specific needs of data users at the centre of policy decisions related to the collection of, access to, and use of beneficial ownership information.**

Different agencies and individuals may need to access and analyse information in varying ways. For example, government agencies analysing systemic money laundering risks may require bulk datasets, whereas a law enforcement officer investigating a specific corruption case may require detailed information from certain BO records. Understanding what different users need from BO information to perform their roles in preventing and detecting corruption is essential to maximise the value of BOT as an anti-corruption tool. Placing this understanding at the centre of policy decisions means that the reforms, once implemented, are more likely to meet these users' needs and deliver anti-corruption impacts.

- **Provide robust policy frameworks and guidance to support states in developing harmonised BOT policies and practices that foster inter-agency and international cooperation in the fight against corruption.**

There is considerable variation in how BOT reforms are implemented at national level. Providing clear guidance through international mechanisms helps facilitate harmonisation over time, making it more straightforward to connect, share and use BO information from different countries. Given the transnational nature of grand corruption threats, this is imperative both at a policy level and at a technical level. These measures should include:

- Ensuring that beneficial ownership information collected by states is adequate, accurate, and up-to-date, and can be easily connected to other types of information used in investigations into corruption cases.
- Ensuring that BOT is clearly defined in national legal and regulatory frameworks, with the national definition aligned to international standards and norms.
- Using existing standards for the collection, storage and sharing of beneficial ownership data, such as the Beneficial Ownership Data Standard, to enhance interoperability between different national BO registers, and other relevant datasets.
- Provide the widest range of international cooperation to share, exchange and leverage BO data, without unduly restrictive conditions, to prevent and detect corruption.

Specifically, CoSP10 presents an invaluable opportunity to guide States parties in their achievement of BOT. The final section of this document details Open Ownership's recommendations for areas to build upon following Resolution 9/7 in order to further strengthen States parties' BOT commitments and advance their effective implementation.



Global progress to date

Beneficial ownership transparency in the United Nations Convention against Corruption processes

As a measure to prevent [the laundering of the proceeds of corruption](#), UNCAC States parties are committed to instituting comprehensive domestic regimes to deter and detect money laundering. The convention also emphasises that banks and other financial institutions should identify beneficial owners and maintain appropriate records.⁵ To assist asset recovery, the Convention highlights the importance of financial institutions determining the identity of beneficial owners of funds deposited in high-value accounts, and to conduct enhanced due diligence of accounts of politically exposed persons (PEPs).⁶

Under the [2021 UNGASS political declaration](#) against corruption, States parties to the UNCAC further committed to preventative measures to enhance BOT. This includes ensuring that adequate, accurate, reliable, and timely BO information is available and accessible to competent authorities. It also includes the promotion of BO disclosure and transparency through, for example, registries in line with domestic laws, and the use of guidance from anti-money laundering initiatives.⁷

[Resolution 7/1](#), adopted at CoSP 7 (2017) calls upon States parties to take appropriate measures to promote transparency of legal persons, including by collecting information on beneficial ownership. While several other resolutions adopted at CoSP sessions underscore the importance of BOT, Open Ownership finds [Resolution 9/7](#), adopted

at CoSP9 (2021), to be a commendable step for UNCAC States parties to combat corruption with more comprehensive BOT commitments.

The resolution encourages States parties to collect and maintain BO information, and then calls upon States parties to ensure, or continue ensuring, timely and efficient access to adequate and accurate BO information on companies for their domestic authorities. There is a strong focus on ensuring the use of BO information to support asset recovery, including through international cooperation, and the use of digital technologies to exchange data.

Global progress since the 2021 United Nations General Assembly Special Session political declaration

Beyond the UNCAC, since the 2021 UNGASS political declaration there have been notable positive shifts in global standards and international commitments to BOT. At the 2nd Summit for Democracy (2022), over [35 countries](#) restated their commitment to effectively implement international standards on BOT. This followed substantial revisions to the international [Financial Action Task Force \(FATF\) Recommendations](#) in 2022, which now mandate the creation of central BO registries and access to BO information by public authorities over the course of public procurement.⁸

Over 39 states have made a commitment related to beneficial ownership through their membership to the [Open Government Partnership \(OGP\)](#) and over 50

⁵ Article 14(1)(a), *United Nations Convention against Corruption* (United Nations Office on Drugs and Crime, 2004), page 16, www.unodc.org/documents/brussels/UN_Convention_Against_Corruption.pdf

⁶ Article 52(1), *United Nations Convention against Corruption* (United Nations Office on Drugs and Crime, 2004), page 42, www.unodc.org/documents/brussels/UN_Convention_Against_Corruption.pdf

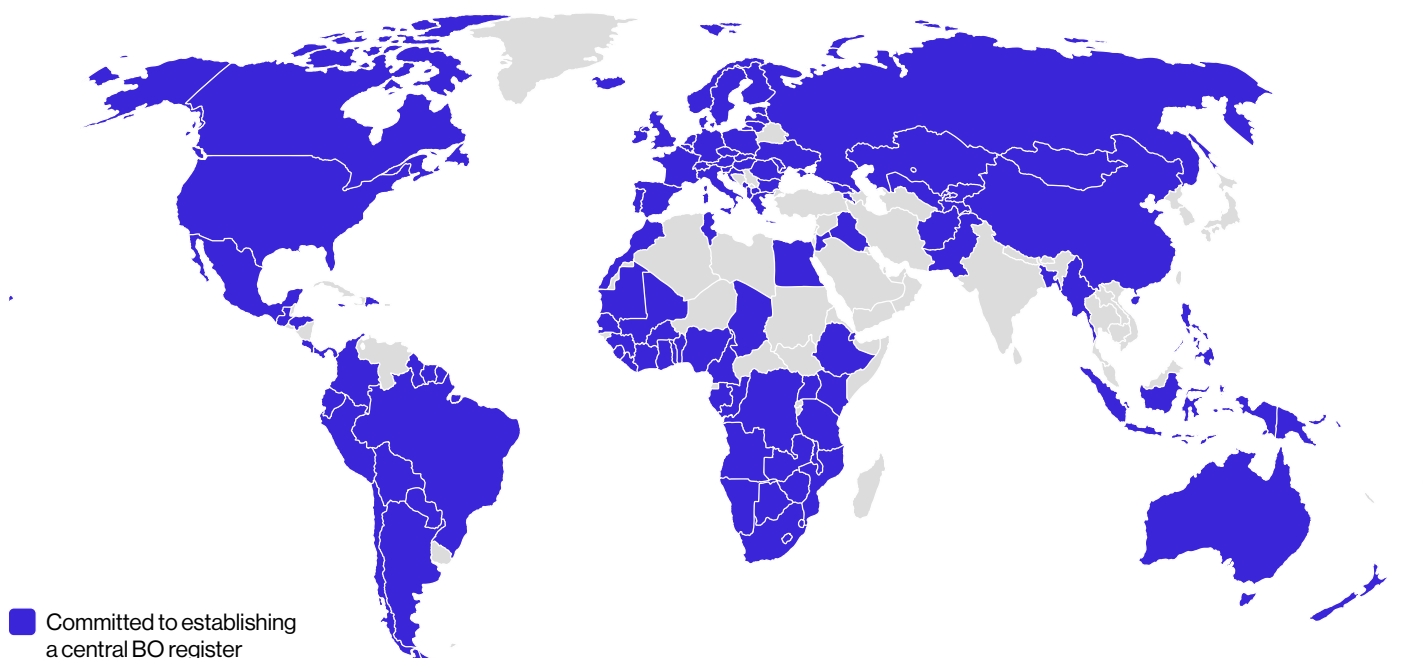
⁷ Article 16, Resolution adopted by the General Assembly on 2 June 2021 (United Nations General Assembly, 2021), page 6, <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N21/138/82/PDF/N2113882.pdf?OpenElement>

⁸ The FATF also permits an alternative mechanism to a central register, provided it also provides efficient (rapid and reliable) access to adequate, accurate, and up-to-date beneficial ownership information. It does not appear that any alternative mechanisms providing similar quality access to adequate, accurate and up-to-date information have been implemented to date.



implementing countries of the [Extractive Industries Transparency Initiative \(EITI\)](#) have committed to making BO information of extractive sector companies publicly available.

Figure 1. Countries committed to establishing a central BO register



Over 120 countries have committed to establishing central BO registers.

Around 50 countries have implemented registers to date.

In total, over 120 countries are now committed to establishing central BO registers. Despite this, only around 50 countries have so far implemented registries.⁹ The meaningful implementation of these commitments is exceptionally important considering the prevalence of corruption and financial crime globally, and the serious related harm to people and to the planet that ensues, for example through the rise in violence and conflict.¹⁰

Time and again illicit financial flows — the proceeds of corruption and other financial crimes — are moved around the world using anonymously owned companies, and the proceeds are used to undermine legitimate business environments, exert malign influence on governments' policy-making, and advance other nefarious activities. The role of a broad range of actors – from law enforcement to companies to investigative journalists – is now widely recognised as important for effectively combating these threats.

In this context it is noteworthy that the majority of the 120 countries committed to establishing central BO registers are committed to enabling at least some information to be made publicly available. Nevertheless, the issue of whether and how the public should be able to access BO information remains high on the global policy agenda.

⁹ Open Ownership, *The Open Ownership Map*, 2023, <https://www.openownership.org/en/map/>

¹⁰ In 2022 the UN, EU, UK, and United States began applying sanctions on individuals, as well as entities and their subsidiaries, in reaction to Russia's 2022 invasion of Ukraine. The [UK reports](#) that the accurate identification of beneficial owners with links to Russia has led to more than 220 individuals and entities being sanctioned by the UK since the invasion, including 12 of Russia's leading oligarchs.



A 2022 decision¹¹ by the Court of Justice of the European Union (CJEU) determined that the legal approach taken in the European Union's 5th Anti-Money Laundering Directive to justify public access to BO data did not appropriately balance privacy and transparency for the stated purposes of fighting money laundering. The decision found that public access to BO data was not sufficiently justified solely for the purpose of fighting financial crime. This judgement has underscored the importance of effectively balancing rights to privacy with the public benefits that arise from making BO information publicly available.

The judgement however recognises the legitimate right of civil society, journalists, and owners of businesses entering into transactions to access BO data to support anti-money laundering goals. This echoes the 2021 UNGASS political declaration, which underlined the important role of civil society, media and the private sector in identifying, detecting, and reporting on cases of corruption.¹² Steps are already being taken by the European parliament to safeguard access to beneficial ownership information among key actors and to strengthen verification and cross-country sharing of the information.

In this context, the global policy debate is shifting away from a simple binary of whether or not BO information should be made public. The current discussion is pragmatic — how, in law and practice, can states enable all actors with a role to play in preventing and detecting corruption to access and use BO information effectively.

Global progress to implement public beneficial ownership registers

Ukraine was the first country in the world to launch a public register of beneficial owners of corporate entities, created in 2015. In 2016, the United Kingdom (UK) became the first G20 country to implement an open and free-to-access public register of beneficial owners of UK companies. Armenia, Denmark, Latvia and Slovakia were similarly some of the first countries globally to implement public BO registers.

Across Africa, there is notable momentum towards implementing public BO registers. In 2023, Nigeria launched its public register, following Zambia and Ghana's registers launched in 2019 and 2020, respectively. Several EITI-implementing countries have also established public BO registers for the extractive sector.

Progress is also seen in Asia, with Indonesia making its central BO register public in 2022. In Latin America, progress towards public registers is more nascent, but a recent draft Anti-Money Laundering Bill in Argentina creates scope for this to be legislated for in the future.

¹¹ Court of Justice of the European Union, "Press release No 188/22, Anti-money-laundering directive", 22 November 2022, <https://curia.europa.eu/jcms/upload/docs/application/pdf/2022-11/cp220188en.pdf>

¹² Article 21, Resolution adopted by the General Assembly on 2 June 2021 (United Nations General Assembly, 2021), page 7, <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N21/138/82/PDF/N2113882.pdf?OpenElement>



Looking forward: using beneficial ownership data to prevent and detect corruption

The follow-up process to the UNGASS political declaration marks a critical opportunity for States parties to better prevent, detect, and combat systemic corruption. More specifically, BOT can drastically reduce corruption risks through informed decision-making among all relevant stakeholders – government actors, journalists, civil society, and the private sector.

There are untapped opportunities to prevent and detect corruption by unlocking company ownership information for all these stakeholders by challenging those seeking to abuse their positions for personal gain. In instances of political or grand corruption, BO information is being used across jurisdictions to investigate corruption and follow the money, reduce corruption risks through informed decision-making, and support data analysis that is contributing to novel anti-corruption insights, and hence real-life impacts.

Law enforcement, civil society, governments and others across various countries have been using BO data and analysing it to better understand patterns and behaviours that may point to corrupt practices. Such analysis can offer new insights into how corrupt actors navigate and exploit financial and economic systems, and therefore trigger proactive investigations. The full potential of BO data is still untapped, and significant potential exists to integrate it with other datasets to inform anti-corruption policy-making and uncover systemic risks.

The full potential of BOT in combating corruption globally similarly depends upon who has access to the data and how it is structured (see later section: *Structured data matters*).

Combating corruption with broad access to beneficial ownership data

For optimal results, reforms must prioritise access to information¹³ for all anti-corruption actors, while also setting up adequate measures to protect the data and privacy¹⁴ of those making disclosures. Making a subset of information in BO registers available beyond governments and banks is an efficient way of doing this.

Over 120 countries have already committed to central BO registers for companies, and the majority of these have committed to making information public for companies in at least one sector of their economy. Other countries are implementing regimes that allow access for users who can demonstrate a legitimate right to access the information. However, legitimate interest access regimes which have been implemented to date are seemingly less effective in addressing corruption, as this approach can have a chilling effect on the use of the data for anti-corruption purposes. Such regimes appear to increase the time and cost of accessing BO information, and may restrict the amount and format of data available to users, in ways that inhibit its interoperability and therefore limit its use to prevent and detect corruption.¹⁵

Making a subset of information in a BO register publicly accessible is the most efficient way to ensure all anti-corruption actors can play their part in using the data to prevent and detect corruption. Evidence shows that making BO data public delivers anti-corruption benefits not just for civil society and journalists, but also for governments, law enforcement authorities, and the private sector.

¹³ See the Open Ownership Principle "Access" for more detailed recommendations on best practice for making BO information accessible to diverse stakeholders, <https://www.openownership.org/en/principles/access/>

¹⁴ See recommendations and related resources in Open Ownership's Statement on Court of Justice of the European Union (CJEU) judgement on public beneficial ownership registers in the EU (Open Ownership, 2022), <https://www.openownership.org/en/news/statement-on-court-of-justice-of-the-european-union-cjeu-judgement-on-public-beneficial-ownership-registers-in-the-eu/>

¹⁵ Maira Martini, Maggie Murphy, *G20, Leaders or Laggards* (Transparency International, 2018, https://images.transparencycdn.org/images/2018_G20_Leaders_or_Laggards_EN.pdf)



Government users: benefits of public beneficial ownership information

Public beneficial ownership information has been shown to significantly improve the speed and ease of access for existing public sector users, such as for non-domestic law enforcement and financial intelligence units for whom investigations involving transnational corporate structures tend to be difficult and require significant time and resources.¹⁶ In fact, before the implementation of the UK BO register, up to half of the investigation time in complex corruption cases involving anonymously-owned companies was spent piecing together BO information.¹⁷ Following the introduction of the UK's beneficial ownership register in 2016, a statutory review found that UK law enforcement agencies used the register regularly, viewing it as positive for their work due to making it quicker and easier to obtain beneficial ownership information for UK companies.¹⁸

Given the tendency for illicit financial flows to be moved across borders, it is imperative that BO information is accessible to appropriate foreign law enforcement actors. Investigators have used public BO information to successfully track unexplained wealth — assets belonging to people in positions of power and influence that do not align with their official salaries or declared revenues and assets.

UK beneficial ownership data reveal links to Azerbaijan

Beneficial ownership information from the UK's register was used to help reveal the real estate and business empires of two children of Azerbaijan's Minister of National Security between 2003 and 2015.¹⁹ The family was found to have jointly held and owned more than €100 million worth of companies and properties. While the origins of the wealth were never properly justified, the Minister's official salary of not more than €1,500 per month certainly could not explain the family's level of wealth. The UK beneficial ownership register was crucial to shining a light on the family's suspicious deals and helped create a case for law enforcement authorities.

Using beneficial ownership transparency to combat corruption in public procurement

The use of BO information during public procurement is exceptionally important. Knowing who owns companies that will provide goods and services to governments, and who ultimately benefits from public contracts, is crucial for effective oversight of public spending. This increases the likelihood of quality service delivery, helps ensure well-managed risk, value for money and increases trust in government.²⁰ In some cases it is also a matter of national security.

The 2021 UNGASS political declaration recognises the importance of combating corruption in public procurement).²¹ This is now also recognised in the FATF Recommendations. The Organisation for Economic Cooperation and Development (OECD) estimates that countries spend an average of 13% to 20% of their gross domestic products on procurement, while 57% of all foreign bribery cases are due to procurement corruption. The impacts are significant as the global value of public procurement is estimated at \$13 trillion. In this context,

¹⁶ Tymon Kiepe, Open Ownership, *Making central beneficial ownership registers public*, (Open Ownership, 2021), www.openownership.org/en/publications/making-central-beneficial-ownership-registers-public/

¹⁷ Louise Russell-Prywata, *Beneficial ownership and wealth taxation: An assessment of the availability and utility of beneficial ownership data on companies in the administration and enforcement of a UK wealth tax* (Wealth Tax Commission, 2020), www.wealthandpolicy.com/wp/BP124_BeneficialOwnership.pdf

¹⁸ Louise Russell-Prywata, *Beneficial ownership and wealth taxation*, www.wealthandpolicy.com/wp/BP124_BeneficialOwnership.pdf

¹⁹ Chinwe Ekene Ezeigbo, Louise Russell-Prywata and Tymon Kiepe, *Early impacts of public registers of beneficial ownership: United Kingdom* (Open Ownership, 2021), www.openownership.org/en/publications/early-impacts-of-public-beneficial-ownership-registers-uk/

²⁰ Eva Okunbor and Tymon Kiepe, *Beneficial ownership data in procurement* (Open Ownership, 2021), www.openownership.org/en/publications/beneficial-ownership-data-in-procurement/

²¹ Article 11, Resolution adopted by the General Assembly on 2 June 2021 (United Nations General Assembly, 2021), page 5 <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N21/138/82/PDF/N2113882.pdf?OpenElement>



BOT is a crucial anti-corruption tool, facilitating the detection of undisclosed or hidden conflicts of interest and identifying red flags for collusion and bid-rigging.

While several countries have made progress to implement BOT within procurement, or use beneficial ownership data in procurement processes, there is a widespread need for greater focus on making full use of BO data to inform procurement decisions. In addition to amending policies and practices, ensuring beneficial ownership and contracting data are available in structured formats can greatly increase the scope to analyse it to inform procurement decisions.

The importance of beneficial ownership data to protecting national security in public procurement

A US Government Accountability Office (GAO) review found that, as of March 2016, the US Government had been leasing high-security space from foreign owners in 20 buildings. This included space for six Federal Bureau of Investigation (FBI) field offices and three Drug Enforcement Administration (DEA) field offices.

The spaces were used, among other reasons, for classified operations and to store law enforcement evidence and sensitive data. The companies owning the spaces were based in countries such as Canada, China, Israel, Japan, and the Republic of Korea. The GAO was unable to identify ownership information for about one-third of all 1,406 high-security leases, because ownership information was not available for all buildings. National security risks in these cases include espionage, cyber intrusions, and money-laundering.²²

Private sector users: benefits of accessing beneficial ownership information

BO information can be of significant value to actors in the private sector, both those in the anti-money laundering regulated sectors (such as financial institutions, lawyers, accountants etc.) and businesses small and large operating in all sectors of the economy. Some of the most important benefits for these users include stronger risk management, better informed investment decisions, simpler compliance with government regulations, as well as improved environmental and social governance.

BO data is being used to reduce compliance costs related to anti-corruption and money-laundering regulations. Access to BO information held in central registries provides stakeholders in the private sector with additional channels of information to conduct robust due diligence processes among supply chains and business partners — an area of risk increasingly relevant in today's globalised economy. In fact, the current opacity in ownership of corporate vehicles globally is creating systemic risk, as well as other financial and non-financial risks (e.g., legal, reputational, political, operational, and regulatory risks).²³

More specifically, to make sound and responsible investment decisions, investors need to know who they are dealing with and what the track record is of those with whom they do business. This is an important way for shareholders to protect themselves against fraud, losses, or unknown dealings with PEPs who may be engaging in nefarious business activities. With access to this information, investors can better conduct the necessary due diligence to protect the long-term value of their holdings, manage all types of risk, and ensure their own responsible business conduct.

Broader access to BO data can help level the playing field between corporate actors, which also contributes to greater trust in the integrity of a business environment. This data may help prevent corrupt companies from benefiting from unfair advantages, or help detect and also prevent other business-related criminal and corrupt activity, such as counterfeiting, trademark infringements, theft of intellectual property or procurement fraud.

²² Tymon Kiepe, *Using beneficial ownership data for national security* (Open Ownership, 2021), www.openownership.org/en/publications/using-beneficial-ownership-data-for-national-security/

²³ Investigations and legal proceedings concerning alleged fraud and bribery facilitated by anonymously-owned companies pose serious financial risks for investors and associated businesses. The consequences could include legal fines and fees, protracted legal proceedings, long-term reputational damage resulting in lower revenues, and compliance or monitoring costs, all of which can negatively affect a company's value.



Finally, business actors having access to BO information facilitates economic activity around data re-use. This generates economic value for the economy, and adds value to the ownership information itself, facilitating its use in innovative ways for the benefit of society.

Case study: The Clearing House Association

The oldest banking association in the United States (US), The Clearing House Association, which advocates on behalf of the largest US commercial banks, such as Bank of America, Wells Fargo, and SunTrust, has supported the push for greater transparency about the real owners of US companies. According to [The Clearing House](#), allowing financial institutions access to this information would better enable banks to comply with the US regulations requiring them to find out who are the beneficial owners of their corporate clients.²⁴

Case study: Cobalt International Energy

Texas-based Cobalt International Energy formed joint ventures in Angola in 2010 with two anonymously-owned companies. One was later revealed to be owned by [three senior, powerful Angolan officials](#) who held considerable undisclosed interests in the impoverished country's oil sector. As a result, Cobalt was investigated for potential breaches of the US Foreign Corrupt Practices Act by the US Securities and Exchange Commission (SEC) and US Department of Justice (DOJ). The [SEC dropped its case](#) in 2015, while the [DOJ's investigation continued](#) until 2017. Cobalt denied any misconduct or knowledge of the secret involvement of Angolan officials in the oil deal; nonetheless, it experienced an [11% drop in its share price](#) after revealing news about the investigation and its quarterly losses to its investors in August 2014.²⁵

Civil society and media users: benefits of access to beneficial ownership information

Civil society and the [media actors](#) play a critical role in [global anti-corruption efforts](#). Their research and investigations into financial crime and corruption, as well as their campaigning make an important part of the journey to bring major cases to the attention of both authorities and the wider public. For example, the Organized Crime and Corruption Reporting Project (OCCRP) has contributed to over USD 7.3 billion in fines being levied and assets being seized, and over 500 arrests, indictments, and sentences.²⁶ The use of BO information by NGOs and investigative journalists, is a critical tool in such investigation, and, combined with other types of data, helps detect the misuse of legal entities.

Given the risks that journalists in many contexts face when investigating corruption and large-scale financial crimes, journalist networks have highlighted the importance specifically of accessing BO information without registration requirements or tracking of their usage of registers, and without barriers such as payments or providing justification of their need to access information.²⁷ Therefore journalists, along with civil society organisations who can face similar risks, are key supporters of public BO registers.

Providing civil society with access to BO data facilitates meaningful oversight, and provides opportunities to hold governments to account, as well as opportunities to verify the data by using it in practice. This broad access to company ownership information increases the risks of undertaking corruption, making it harder for criminals and the corrupt to move stolen money, exploit conflicts of interest, or engage in high-level corruption without their activities being seen.

²⁴ See also Julie Rialet, Mark Hays, *What's in it for business? The US case: Lessons from private sector and civil society advocacy for beneficial ownership transparency reforms* (Open Ownership, 2023), <https://www.openownership.org/en/publications/whats-in-it-for-business-the-us-case/>

²⁵ *Chancing it: How secret company ownership is a risk to investors* (Global Financial Integrity and Global Witness, 2016), <https://www.globalwitness.org/en/reports/chancing-it/>

²⁶ Nkirete Koome, *OCCRP: Using investigative journalism and big data in the fight against corruption* (Luminate, 2021), <https://luminategroup.com/posts/news/occrp-using-investigative-journalism-and-big-data-in-the-fight-against-corruption>

²⁷ Alexandra Gillies, *The EU Ruling on Ownership Transparency and What It Means for Journalists*, (OCCRP, 2023), <https://www.occrp.org/en/beneficial-ownership-data-is-critical-in-the-fight-against-corruption/faq-the-eu-ruling-on-ownership-transparency-and-what-it-means-for-journalists>



Media and civil investigations using beneficial ownership information

The release of the [Panama Papers](#) and [Paradise Papers](#) in 2016 and 2017 showed the crucial role of international collaboration among journalists to address the use of anonymously owned companies for concealing beneficial ownership by uncovering many alleged cases of grand corruption. The value of public beneficial ownership data was further illustrated by the [Open Lux](#) investigation led by *Le Monde* and the OCCRP. Many examples exist to show how access to beneficial ownership for media actors is a critical element to successful investigations.²⁸

The independent media and anti-corruption investigation organisation *Bihus.info* investigated a Ukrainian Member of Parliament (MP). It combined data from Ukraine's asset and BO registers to examine the source of UAH 1.2 million (approximately USD 42,000) in annual rental income declared by the MP. They found that the [source of the reported income was likely from proceeds of corruption](#). The High Anti-Corruption Court of Ukraine also investigated this case. In 2021 it ruled that the income was illegitimately acquired and should be subject to civil forfeiture — the first time this mechanism had been used since it was introduced in 2019.

Using the Ghanaian national BO register, NORPRA, a Ghanaian civil society organisation, found that shareholders and directors of an Australian company operating in Ghana had been sanctioned and sentenced to prison terms in the past. The Companies Act 1963 prohibits persons with criminal records, convictions or fraudulent acts from running companies in Ghana. The company had obtained a mining licence before the Act was passed in Ghana. When the organisation NORPRA discovered these facts, it alerted the authorities, who then verified the data and revoked the permit granted in 2020. NORPRA researched and obtained the beneficial ownership information by accessing (for a fee) the Ghana Companies Registry, as well as consulting court cases made public via Australian online sites.

Balancing transparency with privacy and data protection

Following the [judgement](#)²⁹ of the CJEU in November 2022, the question of how to balance privacy with access to BO data has gained further urgency and prominence. Change is already underway in some countries that currently provide public access to BO registers to safeguard privacy, and balance this with public access to achieve anti-corruption benefits. Examples of the changes some countries are undertaking include:

- information collected may be limited to what is strictly necessary (data minimisation);
- a smaller subset of information may be made available to the public than to domestic authorities;
- sensitive data fields that are unnecessary to generating benefits may be omitted (layered access); and,
- protection regimes may include exemptions to publication in circumstances where someone is exposed to disproportionate risk.

These measures are also applicable in countries where access is granted based on legitimate interest, as part of an overall legal and operational framework to balance transparency with privacy.

In these types of frameworks, the broad public interest in disclosures of the information should be clearly defined in law. Judgements in the CJEU have highlighted that the narrow focus on using BO information to tackle money-laundering in the EU 5th Anti-Money Laundering Directive ignores the broader application of this information to various issues of public interest.

Countries such as the UK and some within the EU have justified public access to BO information as necessary and proportionate to achieve much broader policy goals, such as supporting a transparent business environment. Using a broader policy justification enables policy and judicial actors to take a more accurate range of benefits from public access to data into account when evaluating whether privacy is appropriately balanced with transparency.³⁰

²⁸ Also see Alanna Markle and Tymon Kiepe, *Who Benefits? How company ownership data is used to detect and prevent corruption* (Open Ownership, 2022), <https://www.openownership.org/en/publications/who-benefits-how-company-ownership-data-is-used-to-detect-and-prevent-corruption/> and *Beneficial Ownership Data Is Critical In The Fight Against Corruption*, (OCCRP, 2022), <https://www.occrp.org/en/beneficial-ownership-data-is-critical-in-the-fight-against-corruption/>

²⁹ Court of Justice of the European Union, "Press release No 188/22, Anti-money-laundering directive", 22 November 2022, <https://curia.europa.eu/jcms/upload/docs/application/pdf/2022-11/cp220188en.pdf>

³⁰ For more information see the Open Ownership principle 'Access', <https://www.openownership.org/en/principles/access/>



In practice, public access to BO information is currently the most efficient way to enable data users to access the information they need to help tackle corruption.³¹ However, where that is not possible, legitimate interest regimes may be useful to grant access to a range of anti-corruption actors, and should be implemented in ways that minimise barriers to using the data.

Structured data matters

Grand corruption tends to involve transnational money flows and therefore calls for cross-border investigations. To do this effectively, BO data must not only be available in different countries, but must be interoperable so it can be linked and analysed with other relevant datasets. This includes using appropriate identifiers for people and companies in the datasets, meaning for example that analysts can easily determine whether two people with the same name are actually the same person.

Adopting a common data standard such as Open Ownership's Beneficial Ownership Data Standard will help to ensure that company ownership information is used to its maximum potential to combat corruption.

Moreover, making the information available as structured data allows for new types of analysis and processing that further enables all relevant stakeholders to use the data. This approach reduces the ongoing costs of producing, using, and maintaining the information, as structured data can be readily incorporated into existing processes which can be more easily automated.

The 2021 UNGASS political declaration acknowledges the role of technologies in implementing anti-corruption measures and the importance of strengthening cooperation and the exchange of best practices on the development and application of such technologies.³² For example, when national registers provide structured and interoperable data, beneficial ownership data can be readily combined with other data, such as procurement data, or with beneficial ownership data from other national registers to improve visibility of transnational corporate structures. This is demonstrated by the Open Ownership Register, the world's first publicly accessible transnational beneficial ownership register, currently combining data from four national registers.

The Beneficial Ownership Data Standard

Open Ownership, in collaboration with Open Data Services and other international experts on data standards, has developed the Beneficial Ownership Data Standard (BODS) to serve as a framework for collecting and publishing BO data, enabling the resulting data to be interoperable, more easily verified, and used. A common data standard enables sharing of data between different users, both inside and outside of governments, and allows for a rapid build-up of best practice on collecting, storing, and publishing beneficial ownership data. A data standard also ensures the interoperability³³ of the data with other foreign data sets – for example, those covering public procurement, sanctions, and PEPs. Countries like Armenia, Latvia and Nigeria have been implementing BODS for their registers. Data from Denmark, Slovakia and the UK is also publicly accessible in BODS format through the Open Ownership Register.

Nigeria setting the standard in Africa

In May 2023 Nigeria became the first African country to publish BO data in line with Open Ownership's Beneficial Ownership Data Standard (BODS). Using BODS means that agencies across its government can more easily access and use the data and combine it with other internal datasets and connect it with BO data from across the globe.

Government representatives expect this move to greatly enhance the fight against corruption and criminality by facilitating investigations, supporting civil society in promoting citizens' participation in public accountability and governance, and strengthening the media's capacity to act as a watchdog in the society. This marks a milestone in the Nigerian Government's efforts to work with internal and external stakeholders to implement robust BOT reforms.

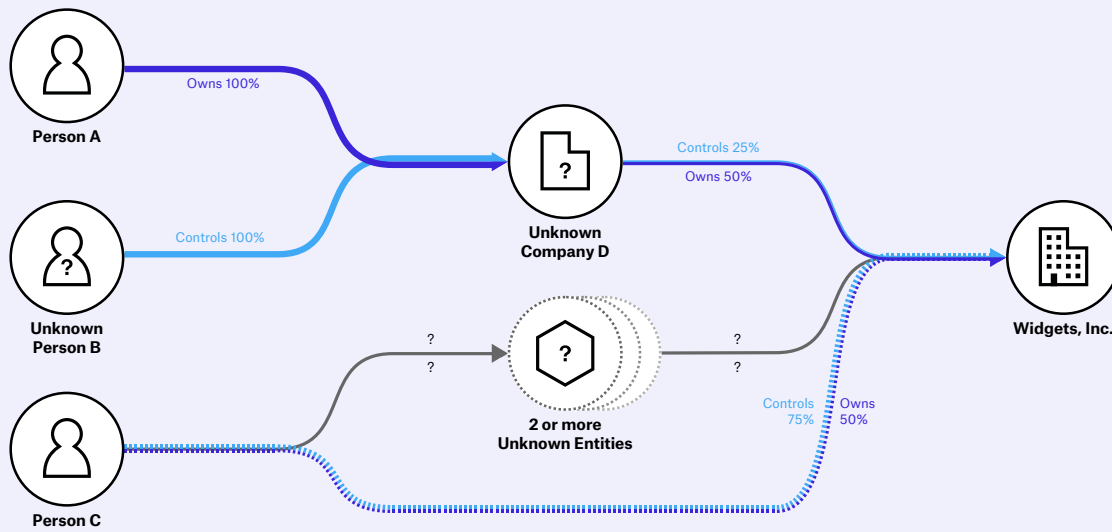
³¹ Tymon Kiepe, Open Ownership, *Making central beneficial ownership registers public* (Open Ownership, 2021), <https://www.openownership.org/en/publications/making-central-beneficial-ownership-registers-public/>

³² Article 68, Resolution adopted by the General Assembly on 2 June 2021 (United Nations General Assembly, 2021), page 15, <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N21/138/82/PDF/N2113882.pdf?OpenElement>

³³ Interoperability means being able to readily use the data with other sources, and integrate it into different systems and processes. The transnational nature of complex BO relationships makes combining BO datasets from different jurisdictions essential to gaining full visibility of ownership structures.



Open Ownership Register



The Open Ownership Register allows users to search structured data on over 8 million companies from more than 200 jurisdictions in one place, and Open Ownership provides supportive tools such as a data visualiser to help users identify and understand connections between individuals and companies.



The 10th Conference of the States Parties: Maximising the value of beneficial ownership information as an anti-corruption tool

CoSP10 presents an invaluable opportunity to guide States parties in their achievement of BOT. By adopting a new resolution, States parties' will seize the moment to strengthen their BOT commitments and advance their effective implementation. Open Ownership therefore makes the following recommendations to update Resolution 9/7:

- **Ensure that adequate, accurate and up-to-date BO information is collected**, including historical records, using a multi-pronged approach that includes information held in registers maintained by a government authority.
- **Ensure adequate, accurate and up-to-date information on BO is accessible to all relevant actors** to enable the prevention and detection of corruption, such as domestic and foreign competent authorities, including national law enforcement, financial intelligence units, tax administrations, anti-corruption agencies, and procurement agencies, as well as civil society organisations, the media, and other relevant stakeholders that can help prevent and detect corruption.
- **Encourage States parties to make information in BO registers publicly and freely accessible and searchable online**, as an efficient way to ensure timely access to BO information for all relevant actors. Such access should be defined in accordance with domestic privacy and data protection legislation but without undue obstacles or barriers.
- **Facilitate, encourage, and promote the safe use of BO information** by a wide range of stakeholders to maximise its impact in preventing and detecting corruption.
- **Ensure that BO reforms build on existing international standards and good practices**, including to establish appropriate legal frameworks that provide a robust definition of “beneficial owners”, to cover the widest range of corporate vehicles – including foreign corporate vehicles with sufficient link to the country in which the reform takes place. To set sufficiently low thresholds, ensure that direct and indirect ownership and control interests held by natural persons are captured in detail, and to use these legal frameworks to guide the development, infrastructure, and mechanisms for collecting information, that is centralised, verified, structured and can be accessed and used rapidly and efficiently.
- **Establish effective mechanisms for the verification of data** and ensure that relevant domestic authorities collaborate and have the necessary powers and resources to do this.
- **Ensure that non-compliance** with beneficial ownership regulations by corporate vehicles is subject to **appropriate effective, proportionate and dissuasive sanctions**.
- **Use digital and innovative technologies and adopt existing international data standards**, such as the Beneficial Ownership Data Standard (BODS), to facilitate the exchange of structured BO information, **ensure interoperability** of the data with other domestic and foreign data sets, such as those covering public procurement, sanctions, and PEPs, and thereby fostering international cooperation and collaboration among competent authorities.
- Ensure that BO data is used in all **public procurement** systems.
- **Collect and exchange evidence of impacts and best practice** on a continual basis related to BOT policies, registries, verification systems, and implementation methods.



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