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Beneficial Ownership

From policy to practice: introducing the beneficial ownership data standard

www.openownership.org
Agenda overview - today

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<td>09:15 - 10:00</td>
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<td>Welcome</td>
<td>10:00 - 10:45</td>
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<td>Beneficial ownership: the key concepts</td>
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<td>15:15 - 16:30</td>
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<tr>
<td>Re-cap and close</td>
<td>16:30 - 17:00</td>
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Welcome
OpenOwnership

OpenOwnership drives greater corporate transparency across the world by making it easy to publish and access high-quality, linked data about who owns companies.

We provide two main technical tools:

- **the OpenOwnership Register.** Currently in beta, our aim is to Release version 1.0 of the Register by March 2019. Version 1.0 will establish systems allowing for validation and verification of submitted data and an effective user feedback loop. We will also develop an API to enable third party applications.

- **the Beneficial Ownership Data Standard.** The Standard is being developed in collaboration with dozens of international experts in company data and in technical standard-setting. It will enable the resulting beneficial ownership data to be interoperable, more easily reused, and higher quality.

Founded by the world’s leading transparency organizations in 2016, including Transparency International, Global Witness, the ONE Campaign, the B Team, Open Contracting Partnership, and OpenCorporates.
Global momentum

- G20 establishes high-level beneficial ownership principles (2014)
- UK’s fully open data Persons of Significant Control register comes online (2016), closely followed by Ukraine and Slovakia, and Denmark in 2017
- EITI requires standard-implementing countries to publish beneficial ownership data for extractives companies operating in their jurisdictions (2016)
- OECD establishes standard for sharing beneficial ownership data via the automatic exchange of information program (2016)
- 5th European Anti-Money Laundering Directive to require all EU countries to establish public registers of beneficial ownership (2017)
- UK Parliament votes to require overseas territories to comply with the same levels of transparency as the UK (2018)
From policy to practice

Opening up beneficial ownership data means:
● the data is more usable, and has more uses
● improved data quality
● genuine benefits to both society and business
Introductions

**Who?**
Briefly introduce yourself

**Where?**
Where you are from, what is your role?

**Why?**
Why are you interested in beneficial ownership data?
Our vision: useful and usable data

OpenOwnership accelerates a norms change around corporate transparency by making it simple to publish and access high-quality data about who owns companies.
Two key tools:

OpenOwnership Register

Beneficial Ownership Data Standard
The Beneficial Ownership Data Standard

An open data standard for publishing information about beneficial owners.

Developed as a public good to make sure beneficial ownership disclosures are usable, useful and in use.

Under active development through an open standards process.
Based on data publisher and data user needs
Based on data publisher and data user needs:

- Public Registers of Beneficial Ownership
- Self-submitted data
- Third-party submitted data
- Self-published data
Based on data publisher and data user needs

- Public Registers of Beneficial Ownership
- Self-submitted data
- Third-party submitted data
- Self-published data

Public Registers

As the government agency responsible for beneficial ownership disclosure we need a template for collecting and publishing data so that the database we build is useful and usable.
Based on data publisher and data user needs

- Procurement & onboarding: screening and audit
- General investigations
- Data-led investigations
- Data validation
Based on data publisher and data user needs

- Procurement & onboarding: screening and audit
- General investigations
- Data-led investigations
- Data validation

General investigations

As an officer responsible for Know Your Customer (KYC) monitoring, I need to search for beneficial disclosures of a particular company so that I can make sure we are aware of any Politically Exposed Persons (PEPs) involved in the company.
Based on data publisher and data user needs

- Procurement & onboarding: screening and audit
- General investigations
- Data-led investigations
- Data validation

Data led investigations

As a data journalist I want to explore the potential networks of ownership around a particular person so that I can research an article about corruption.
To meet these needs, we need data

- Structured data
- Standardised data
- Shared and open data
An open standard

- Free, non-proprietary and open governance process
- Built on open technology and common standards
- Common approach with other open data standards
Shared globally. Implemented locally.
Our goals for today

- Build up an understanding of beneficial ownership piece by piece
- Experience the advantages of structuring data
- Start thinking about the policy and technical challenges of collecting quality data
Agenda overview - today

Coffee, breakfast and introductions 09:15 - 10:00

Welcome 10:00 - 10:45

Beneficial ownership: the key concepts 10:45 - 11:30

Coffee 11:30 - 11:45

Piecing together beneficial ownership 11:45 - 12:45

Lunch 12:45 - 13:45

Modelling beneficial ownership data using BODS 13:45 - 15:00

Collecting data on beneficial ownership: aligning policy and technology 15:15 - 16:30

Re-cap and close 16:30 - 17:00
Beneficial ownership

The Key Concepts

Presented by Kadie Armstrong

www.openownership.org

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Session objectives

Key concepts

Legal ownership       Companies
Provenance   Entities   (In)direct ownership
Arrangements       Trusts
People as interested parties
Ownership interest       Verification
Interests       Thresholds
Controlling interest       Change
Beneficial ownership
Companies or people can own other companies...

Key concepts

- Legal ownership
- Companies
- Trusts

Illustration shows a person connected to a company, indicating ownership.
...but it’s **people** that ultimately benefit...

**Key concepts**

- [Legal ownership](#)
- [Companies](#)
- [Entities](#)
- [(In)direct ownership](#)
- [Arrangements](#)
- [Trusts](#)

Diagram:

- Person
  - directly owned by
  - Company 1
    - directly owned by
    - Company 2
      - indirectly owned by
What **interests** can people have in a company or trust?

**Key concepts**

- Legal ownership
- Companies
- Entities
- (In)direct ownership
- Arrangements
- Trusts
- People as interested parties
- Ownership interest
- Interests
- Controlling interest
Why control matters

Direct resources

Influence hiring decisions

Influence acquisitions and mergers

Influence corporate structure

Channel investment

Control contracting

Influence hiring decisions

Influence acquisitions and mergers

Shape corporate tax planning

Key concepts

Legal ownership

Companies

Entities (In)direct ownership

Arrangements

Trusts

People as interested parties

Ownership interest

Interests

Controlling interest
Beneficial ownership is the right of a person, directly or indirectly:

- to some share of a legal entity’s income or assets (legal ownership), or
- to direct or influence the entity’s activities (control).

[Note: this is sometimes referred to as ultimate beneficial ownership]
Thresholds

Examples:

- UK a >25% ownership or controlling interest
- FATCA (USA) 10% for foreign investment vehicles
- Argentina 20%
Legal owner vs. Beneficial owner (1)
Legal owner vs. Beneficial owner (2)

Waukegan College of Dentistry and Orthodontia: 15% voting shares held by

United Concessions Corporation: 16% voting shares held by

Frankfurt Used Machine Tool Brokerage Company: 11% voting shares held by

Mitchell Courteney: 1% voting shares held by

William Sillery: 26% voting shares held by

Fowler Schocken Associates

Institute for the Diffusion of Psychoanalytic Knowledge

Legal owner vs. Beneficial owner (2)

Mitchell Courteney
Key concepts

- Legal ownership
- Companies
- Entities
- (In)direct ownership
- Arrangements
- Trusts
- People as interested parties
- Ownership interest
- Interests
- Thresholds
- Controlling interest
- Beneficial ownership
Three final features...

- Beneficial ownership changes over time.
- Where does the information come from anyway? (provenance)
- Even if the information comes from a real (and trusted source) how confident are we in its accuracy? (verification)

A simplified representation of a corporate ownership/control structure detailed in *The Space Merchants* by Frederik Pohl and Cyril M. Kornbluth (1952)
Three final features...

A simplified representation of a corporate ownership/control structure detailed in *The Space Merchants* by Frederik Pohl and Cyril M. Kornbluth (1952)

**Key concepts**

- Legal ownership
- Companies
- Provenance
- Entities (In)direct ownership
- Arrangements
- Trusts
- People as interested parties
- Ownership interest
- Verification
- Interests
- Thresholds
- Controlling interest
- Change
- Beneficial ownership
Key (real world) concepts

Legal ownership    Companies
Provenance       Entities    (In)direct ownership
Arrangements    Trusts
People as interested parties
Ownership interest    Verification
Interests        Thresholds
Controlling interest    Change
Beneficial ownership
Piecing together beneficial ownership information

Presented by Jack Lord

www.openownership.org
Based on data publisher and data user needs

- Procurement & onboarding: screening and audit
- General investigations
- Data-led investigations
- Data validation

Data led investigations

As a data journalist I want to explore the potential networks of ownership around a particular person so that I can research an article about corruption.
Where is the data?

...data describing ownership and control is often scattered across documents...

The data is often included in companies’ annual reports, founding articles and filings to regulatory authorities. Bringing it all together can build the big picture about a company’s beneficial owners.
Bringing the data together

…from a variety of sources helps us understand complicated ownership and control structures.

But, without common standards, combining and analysing data from different sources can be extremely difficult, expensive and time-consuming...
A data standard is better

...Using a standard for beneficial ownership data reduces the cost of extracting, analysing and linking beneficial ownership data....
A data standard is better

…but we need implementers to coalesce around a standard to make this possible.
Piecing together beneficial ownership data
Based on data publisher and data user needs

- Procurement & onboarding: screening and audit
- General investigations
- Data-led investigations
- Data validation

Data led investigations

As a data journalist I want to explore the potential networks of ownership around a particular person so that I can research an article about corruption.
A mining license was awarded to a large oil company in 2011. Records have emerged of undeclared payments being made to a local company, RENCO Energy Ltd, believed to have connections to political figures, including the Junior Minister for Mines and Oil, Roberto López. The Minister for Mines and Oil, Ernesto Gómez Garrido, has promised to investigate.

Who are the beneficial owners of RENCO Energy Ltd?
Piecing together beneficial ownership

The goal of this task is to find the beneficial owner(s) of RENCO Energy Ltd, based in the fictional country of Diamondia by pulling together information in different documents.
Piecing together beneficial ownership

Each group has a document pack.

The document pack contains information on companies, people and legal and beneficial ownership.

Fill out three kinds of template: person, entity or relationship.

Place templates onto a large piece of paper to create a map that leads to the beneficial owner(s)
Piecing together beneficial ownership

Name: JACK LORD

Voting rights: 11%

Name: Open Data Services Co-operative Limited

Company Number: 09506232

Jurisdiction: UK
Getting started

1. Use the *register of politicians’ interests* to find any **beneficial owners** of RENCO Energy Ltd. Fill out templates for these people.

2. Use the *Diamondia company register* to find the shareholders (the **legal owners**) of RENCO Energy Ltd. Create new templates, or add detail to existing templates, for these entities or people.

3. Use the other documents to try and find the **beneficial owners** of the entities that own RENCO Energy Ltd.
Who are the beneficial owners of RENCO Energy Ltd?
Discussion

- What information was hard/impossible to find?
- What ambiguities were there in the data?
- What new information would be required to deal with other use cases?
Who are the beneficial owners of RENCO Energy Ltd?
Good work:

You pieced together some beneficial ownership information!
Modelling beneficial ownership data using BODS*

* Beneficial Ownership Data Standard

www.openownership.org
The data schema describes how data about the beneficial owners of a legal entity can be **expressed** and **organised**.

The schema is defined in a structured data format called JSON.
What happens without structured data and standards?

Early analysis from the UK Persons of Significant Control data found over 3,000 ‘nationalities’ described.

This makes the nationality field less reliable for matching people’s identities.

Why use BODS?

1) Reducing ambiguity in data
2) Improving the opportunity to find connections between datasets
3) Comparing data from different sources
4) Avoiding over-simplistic interpretations of beneficial ownership
5) Making working with beneficial ownership data simple by enabling creation of common tools

Publish once, use anywhere

Joining up between systems.
What happens with structured data and standards?

The better the structure, the more chance of:

- Finding connections;
- Finding errors;
- Supporting analysis

And the lower the burden on users:

- Interpret the data
- Build reusable tools
Available at [http://standard.openownership.org](http://standard.openownership.org)

- **Primer** - introducing key concepts
- **Data model** - high level description of data structure
- **Schema reference** - definition of fields and codelist values
- **Examples** - see how the data looks
- **About**
The data model
BODS: key concepts

- Statements
- Statement identifiers
- Components
- Real-world identifiers
- Interests
BODS: key concepts - statements

- Statements
- Statement identifiers
- Components
- Real-world identifiers
- Interests
**BODS: key concepts - statements**

- **Statements**
- **Statement identifiers**
- **Components**
- **Real-world identifiers**
- **Interests**
Get a person statement sheet for each person involved in your beneficial ownership chain.

Fill in their name.
**BODS: key concepts - statement identifiers**

- Statements
- **Statement identifiers**
- Components
- Real-world identifiers
- Interests
Each statement MUST have an entirely unique identifier. There MUST be no possibility of collision between identifiers for different statements.

Possible strategies for identifier creation:

- Generating a UUID for each statement, storing this in internal systems, and updating it whenever the relevant record(s) that make up a statement are updated;
- Generating a UUID as a publisher-related prefix, and appending a local record identifier, and version identifier to it;
- Using an appropriately designed hash function that generates identifiers from a normalised JSON representation of the statement (excluding the id field) with a low collision probability.
Quick quiz

What does the statement identifier identify?

• (A) A person
• (B) Information about a person
• (C) Information provided about a person by a particular source at a particular point in time
Quick quiz

What does the statement identifier identify?

- (A) A person
- (B) Information about a person
- (C) Information provided about a person by a particular source at a particular point in time
Quick quiz

When new information becomes available about a person you should:

- (A) Update an existing statement
- (B) Create a new statement with a new statement identifier
- (C) Publish an PDF on your website with a handwritten list of changes
Quick quiz

When new information becomes available about a person you should:

- (A) Update an existing statement
- (B) Create a new statement with a new statement identifier
- (C) Publish an PDF on your website with a handwritten list of changes
**BODS**: key concepts - components

- **Statements**
- **Statement identifiers**
- **Components**
- **Real-world identifiers**
- **Interests**

**Fields and codelists**
Providing a set of common values to choose between.
BODS: key concepts - components

- Statements
- Statement identifiers
- Components
- Real-world identifiers
- Interests

[...] Arrays
More than one of these values can be provided.
E.g. multiple known names.
Quick quiz

A person can have more than one:

- Name
- Birth date
- Address
- Place of birth
- Nationality
- Identifier
BODS: key concepts - components

- Statements
- Statement identifiers
- Components
- Real-world identifiers
- Interests

Quick quiz

A person can have more than one:

- Name
- Birth date
- Address
- Place of birth
- Nationality
- Identifier
BODS: key concepts - components

- Statements
- Statement identifiers
- Components
- Real-world identifiers
- Interests

**Objects**
A collection of fields designed to maximise the linkability of data.
Statements

Statement identifiers

Components

Real-world identifiers

Interests

**BODS: key concepts - components: names**

- **Name:** Mr Roberto García Lopez
  - **Known nicknames:** Beto Lopez

- **Name:** Natalie Coleman PhD
  - **Maiden name:** Natalie Smith
**BODS:** key concepts - components: nationality

- **Statements**
- **Statement identifiers**
- **Components**
- **Real-world identifiers**
- **Interests**

**Tip:** Diamondia’s ISO country code is ‘XD’

**Name:** Mr Roberto García Lopez
**Known nicknames:** Beto Lopez
**Nationality:**
- Diamondian
- United States

**Name:** Natalie Coleman PhD
**Maiden name:** Natalie Smith
**Nationality:**
- United Kingdom
**Statements**

- **Statement identifiers**

- **Components**

- **Real-world identifiers**

- **Interests**

---

**Gregorian ISO 8601 standard. Partial dates allowed.**

**YYYY-MM-DD**

<table>
<thead>
<tr>
<th>Name:</th>
<th>Mr Roberto García Lopez</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Known nicknames:</strong></td>
<td>Beto Lopez</td>
</tr>
</tbody>
</table>
| **Nationality:** | • Diamondian  
• United States |
| **Date of birth:** | 21st Jan 1967 |

<table>
<thead>
<tr>
<th>Name:</th>
<th>Natalie Coleman PhD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maiden name:</strong></td>
<td>Natalie Smith</td>
</tr>
<tr>
<td><strong>Nationality:</strong></td>
<td>• United Kingdom</td>
</tr>
<tr>
<td><strong>D.O.B:</strong></td>
<td>05/04/79</td>
</tr>
</tbody>
</table>
Quick quiz

A web form for entering dates should:

A. Always ask the user to enter the date in ISO 8601 YYYY-MM-DD format

B. Allow the user to enter the date in free text and output whatever they enter in the published data

C. Use a form designed for the particular kind of date being entered, and the local context - but convert the date into ISO format when exporting data.
Quick quiz

A web form for entering dates should:

A. Always ask the user to enter the date in ISO 8601 YYYY-MM-DD format

B. Allow the user to enter the date in free text and output whatever they enter in the published data

C. Use a form designed for the particular kind of date being entered, and the local context - but convert the date into ISO format when exporting data.
The schema defines a set of components for representing data.

These are designed to accommodate data from different countries and contexts.

Think about how the data you collect could map to these components.

Think about whether your data collection design makes assumptions that may not be globally applicable. Use the components and codelists as a reference resource for this.

Design data input around users, and data representation around interoperability.
Make sure you have a statement form for each **person** or **company** in your beneficial ownership diagram.

Fill in any details you can **except** the [...] identifiers component.
BODS: key concepts - components: activity

Make sure you have a statement form for each person or company in your beneficial ownership diagram.

Fill in any details you can except the identifiers component.

Did anyone create an ‘unknownPerson’ statement?
Are these statements about the same company?
BODS: key concepts - real world identifiers

What about these statements?

Entity statement

Statement Identifier: 648bd664-6e1c-4705-81cb-01e72650f909-c_1_v_1

Statement type: entityStatement

Statement date: 16/07/2018

Type: registeredEntity

Missing information reason(s): 

Entity name: RENCO Energy Ltd

Incorporated In Jurisdiction

Name: Diamondia

Country code: XD

Identifiers

ID: 65462342

Scheme: 

Scheme name: 

URI: 

RE LTD

Entity statement

Statement Identifier: 648bd664-6e1c-4705-81cb-01e72650f909-c_3_v_2

Statement type: entityStatement

Statement date: 16/07/2018

Type: registeredEntity

Missing information reason(s): 

Entity name: RE LTD

Incorporated In Jurisdiction

Name: 

Country code: 

Identifiers

ID: 65462342

Scheme: 

Scheme name: 

URI: 

Renco Energy Ltd
When we know which register an identifier is from, and the identifier, we can make high confidence matches between statements.
BODS: key concepts - real world identifiers

- Statements
- Statement identifiers
- Components
- Real-world identifiers
- Interests

Group survey

Do you collect company identifiers in your beneficial ownership register or forms?
Group survey

Do you collect **company identifiers** in your beneficial ownership register or forms?

Do you collect **company identifiers** for overseas companies?
To find identifiers

BODS uses a codelist from org-id.guide - **an open register of identifier lists.**

I need identifiers for **A company**
Registered in **Afghanistan**
Working in **Any sector**

SEE LISTS
Look at your entity statements, and your source documents.

Use a copy of the org-id.guide register to fill in ID, Scheme and Schema Name fields for each entity.

Extra task: Look for identifier sources in your country in http://org-id.guide

Does the codelist need updating?
Identifiers for people

- If you have a persistent *internal* identifier, provide this.

- If you have *public* known identifiers for a person, provide these (and work with BODS to update the schema codelist).

- Be careful of *private* identifiers that should not be included in open data.
Collect company numbers, and details of the register the company number is from.

Publish company numbers and a schema/list code from org-id.guide.

Provide persistent identifiers for people where available.

Assess privacy implications of releasing other person identifiers.

Work with BODS on improving identifier source codelists for companies and people.
**BODS: key concepts - interests**

- Statements
- Statement identifiers
- Components
- Real-world identifiers
- Interests

**Ownership or control statements can**

- Link entities and people
- Link entities to other entities
- Describe missing ownership or control information

**Subject**

- **Described by entity statement**
  - [identifier]

**Interested party**

- **Described by entity statement**
  - [identifier]
- **(Or) Described by person statement**
  - [identifier]

**(Or) Unspecified or unknown ownership and control**

- **Reason**
  - If required enter one of: 'no-beneficial-owner', 'subject-unable-to-verify-identity-of-beneficial-owner', 'interested-party-has-not-provided-information', 'subject-exempt-from-disclosure', 'interested-party-exempt-from-disclosure' or 'unknown'. Check code list for definitions.

- **Description**
Ownership or control statements can

- Link entities and people
- Link entities to other entities
- Describe missing ownership or control information

Fill in the **Subject** and **Interested Party** of an Ownership or Control statement for each relationship you have identified.
BODS: key concepts - reasons for no identified control

- Statements
- Statement identifiers
- Components
- Real-world identifiers
- Interests

<table>
<thead>
<tr>
<th>UnspecifiedReason</th>
<th>code</th>
<th>title</th>
<th>description</th>
</tr>
</thead>
<tbody>
<tr>
<td>no-beneficial-owners</td>
<td>No beneficial owners</td>
<td>There are no beneficial owners who need to disclose ownership according to the rules under which this statement is made.</td>
<td></td>
</tr>
<tr>
<td>subject-unable-to-confirm-or-identify-beneficial-owner</td>
<td>Subject unable to confirm or identify beneficial owner</td>
<td>The subject of this ownership or control statement has, as the disclosing party, been unwilling or unable to confirm the existence identify a beneficial owner.</td>
<td></td>
</tr>
<tr>
<td>interested-party-has-not-provided-information</td>
<td>Interested party has not provided information</td>
<td>The interested party in this ownership or control statement has not provided enough information to identify or confirm the identity of the beneficial owner.</td>
<td></td>
</tr>
<tr>
<td>subject-exempt-from-disclosure</td>
<td>Subject exempt from disclosure</td>
<td>The subject of this ownership or control statement is not required to disclose its beneficial owner. (Replaces noNotifiableOwners.)</td>
<td></td>
</tr>
<tr>
<td>interested-party-exempt-from-disclosure</td>
<td>Interested party exempt from disclosure</td>
<td>The interested party in this ownership or control statement is exempt from having their identity disclosed.</td>
<td></td>
</tr>
<tr>
<td>unknown</td>
<td>Unknown reason</td>
<td>The reason an interested party cannot be provided is not known.</td>
<td></td>
</tr>
</tbody>
</table>
An ownership or control statement can describe one or more interests of the interested party in the subject.
An ownership or control statement can describe one or more interests of the interested party in the subject.

Fill in your templates with details of the interests held.
Congratulations!

You have created structured beneficial ownership data
Data that is ready for processing.

Data with much less ambiguity.

Data that maximises the chance of connections being made.

Data that turns policy into practice.
BODS Recap

Everything in BODS is a **statement**

Statements are linked by **statement identifiers**

Each statement is made up of structured data **components**

It is easier to link data when person and entity statements contain **real world identifiers**

**Ownership or control statements** describe the relationship between a person and a company (or other entities) and the interest they hold
End of session
Collecting data on beneficial ownership: aligning policy and technology
The implementation journey

1: Commit
Secure political support. Determine scope. Identify legislative or policy changes required.

2: User focus
Identify key local drivers for data use. Engage data users early. Build skills for user-centred design.

3: Data & design
Map new or existing systems to BODS. Set-up mechanisms for structured, granular & changing data.

4: Business process
Establish business process for data entry, updates & validation. Design and test forms.

5: Publication
Set a license. Provide APIs and bulk data. Establish feedback loops to improve data.

6: Maintenance
Data cleaning and improvements. Make sure register is updated. Remove redacted data.
You can only get out, what you put in
Seven key decisions

1. Types of interest
2. Thresholds
3. Ultimate ownership vs. capturing the chain
4. Missing data & exclusions
5. Identifiers
6. Historical data
7. Source documents
Which types of interest do you, or will you, collect information on?
(1) Types of interest: companies

<table>
<thead>
<tr>
<th>Types</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>ownership of shares</td>
</tr>
<tr>
<td></td>
<td>rights over income or profits</td>
</tr>
<tr>
<td></td>
<td>rights to assets</td>
</tr>
<tr>
<td>Control</td>
<td>voting rights</td>
</tr>
<tr>
<td></td>
<td>influence or control of firm</td>
</tr>
<tr>
<td>Other</td>
<td>senior managing official</td>
</tr>
</tbody>
</table>
Why does it matter?

(1) Types of interest: companies

When beneficial owners have to disclose interests in detail, it is harder to disguise control.

For example, in the situation where a company owner gifted the **legal ownership** of the business to a relative, but retained significant influence over strategic direction and day-to-day activities, a robust disclosure regime might require a ‘significant influence or control’ interest to be declared by the original owner.
What about interests in trusts?

(1) Types of interest: trusts

See the InterestType codelist for the exact codes available in BODS.
(1) Types of interest: whose interests?

Whose interests are recorded?

What kinds of entities should declare beneficial owners?
- Registered companies
- Partnerships
- Trusts
- Companies listed on stock exchanges

Who gets declared as a beneficial owner:
- Native beneficial owners
- Non-native beneficial owners
What threshold have you, or will you, set for beneficial ownership disclosure?

Do you collect exact interests, or bands?
(2) Thresholds: what impact does it have?

Beneficial owners must declare an interest at:

*25% ownership*
What threshold have you, or will you, set for beneficial ownership disclosure?

Do you collect exact interests, or bands?

OpenOwnership sets no minimum threshold for beneficial ownership disclosures and collects exact percentages.

BODS can express both exact and banded interests, and sets no minimum on what can be disclosed.
(2) Thresholds: making a decision

What threshold have you, or will you, set for beneficial ownership disclosure?

Do you collect exact interests, or bands?

Can data help you decide?

- How many firms would be affected by a low threshold?
- What kind of firms are these?
- Is it useful for the firms to know?
- Which potential uses of data might be prevented by a high threshold?
Will you collect information on intermediate steps in the ownership chain?

(3) Indirect or direct control

What should Renco Energy Ltd disclose?

Natalie Coleman holds 50% of shares in...

REN Consulting Limited holds 50% of the shares and votes in...

RENCO Energy Ltd
(3) Indirect or direct control

Will you collect information on intermediate steps in the ownership chain?

Option 1: Just the next company.

... or nothing if there is already an open corporate registry that contains this?

REN Consulting Limited
...holds 50% of the shares and votes in...

RENGO Energy Ltd
Will you collect information on intermediate steps in the ownership chain?

Option 1: just the next *onshore* company.

REN Consulting Limited
...holds 50% of the shares and votes in...

RENCO Energy Ltd
(3) Indirect or direct control

Will you collect information on intermediate steps in the ownership chain?

Option 2: just the ultimate beneficial owner

Natalie Coleman
..holds a 25% (indirect) interest in...

RENCO Energy Ltd
Will you collect information on intermediate steps in the ownership chain?

Option 3: the beneficial ownership chain

...self-reported or imported from existing data to be confirmed by submitter.

Natalie Coleman
...holds 50% of shares in...

REN Consulting Limited
...holds 50% of the shares and votes in...

RENSCO Energy Ltd

(3) Indirect or direct control
Will you collect information on intermediate steps in the ownership chain?

Direct links, and full ownership chains, open up a wider range of use cases.

The reporting burden this creates will depend on the design of business processes.

BODS can accommodate a mixed model with direct, indirect and unknown levels of interest.

2: User focus
3: Data & design
4: Business process
(4) Missing data & exclusions

What reasons are there for not knowing a beneficial owner?
(4) Missing data & exclusions

What reasons are there for not knowing a beneficial owner?

It is important for verification purposes to know the particular reason.

**BODS ‘UnspecifiedReason’ codelist**

- No beneficial owners
- Subject unable to confirm or identify beneficial owner
- Interested party has not provided information
- Subject exempt from disclosure
- Interested party exempt from disclosure
- Unknown reason
What reasons are there for not disclosing a beneficial owner?
(4) Missing data & exclusions

What reasons are there for not disclosing a beneficial owner?

OpenOwnership believe there should be limited and strict reasons for exemption.

When exemptions are used, information about the exemption should be published.

Non-disclosure doesn’t mean disappearing - it means limited anonymity.

<table>
<thead>
<tr>
<th>personType</th>
<th>string</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person type</td>
<td>Use the personType codelist. The ultimate beneficial owner of a legal entity is always a natural person. Where the beneficial owner has been identified, but information about them cannot be disclosed, use ‘anonymousPerson’. Where the beneficial owner has not been clearly identified, use ‘unknownPerson’. Where the beneficial owner has been identified use knownPerson.</td>
</tr>
</tbody>
</table>
Which identifiers and identifying information will you collect, and validate?

(5) Identifiers

For organisations
- Do you only need to identify national companies? Or also international? What about other entities (trusts, etc.)

For people
- Are you empowered to collect biographical data? (Name, date of birth, place of birth, identifiers, nationality)
- Can you publish this?
(6) Historical data

How long should data be available for?

A: Identify as many reasons as you can for data to be made available long term.

B: Identify as many reasons as you can for data to be removed after a short set period.
2015
Minister Lopez announces mining license bidding process

2018
Mining license is awarded

2020
Mining concession becomes operational. Minister has left government.

2022
Company operating mine is sold to new owner

50% shares owned by Mr Lopez
100% shares owned by R.S. Peterson
40% of shares owned by Mr Lopez

50% shares owned by Mr Lopez
100% shares owned by R.S. Peterson
40% of shares owned by Mr Lopez
How long should data be available for?

**BODS** is based on the idea of **immutable statements** - creating an updated ledger of claims about beneficial ownership over time.

With a collection of BODS data it should be possible to ‘rewind’ to understand what was known about ownership and control at a particular point in time in the past.

OpenOwnership believes there is a legitimate legal basis for maintaining a long-term archive of beneficial ownership data.
(6) Historical data

How long will data be available for?

Will you maintain an archive of past data - with immutable statements?

Consider

When data is under an open license you cannot technically control its redistribution.

However, laws covering how data can be used still apply.

Though data can travel across borders, and laws vary from country to country.

Open Ownership have commissioned research that will address some of these issues.
Will you store, verify and provide access to, source documents?
(7) Source documents

Will you store, verify and provide access to, source documents?

How can we trust the information that is held in beneficial ownership registers?

How can use beneficial ownership registers as a tool for accountability?

Best practice: linking to original source documents
Do you have the ingredients you need?
Seven key decisions

1. Types of interest
2. Thresholds
3. Ultimate ownership vs. capturing the chain
4. Missing data & exclusions
5. Identifiers
6. Historical data
7. Source documents
End of session
Advanced modelling of beneficial ownership data

Presented by Kadie Armstrong and Jack Lord

www.openownership.org
BODS: advanced concepts

- Trusts
- Sources
- Annotations
- Missing data
- Politically-exposed persons
- Replacing statements
- Arrangements
- Indirect and direct ownership
BODS: advanced concepts

- Trusts
- Sources
- Annotations
- Missing data
- Politically-exposed persons
- Replacing statements
- Arrangements
- Indirect and direct ownership

Trusts are complex legal instruments. In BODS, we model trusts as an entity with the arrangement type.

Trusts have particular kinds of ownership or control that can be expressed in an interest statement. These reflect international reporting requirements.
BODS: advanced concepts

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Quick quiz

Can we re-use the person statement that we already have about Natalie Coleman?

- (A) Yes
- (B) No
BODS: advanced concepts

Quick quiz

Can we re-use the person statement that we already have about Natalie Coleman?

- (A) Yes
- (B) No

Statements represent what is asserted about a person at a particular point in time, from a particular source.

We can't assume that the same information about Natalie Coleman will be asserted in each statement.

Statements MUST be immutable.

We need a new statement.
BODS: advanced concepts

Name: Natalie Coleman
Nationality: United Kingdom

Name: Leiza Sánchez Guzmán
Nationality: Lock Islands (Code: XL)

Name: EGG Trust
Identifier scheme: XE-LO-TA
Identifier: 4599722

Name: RENCO Holding Company
Identifier scheme: XE-LO-COH
Identifier: 28367095
Knowing where information came from is crucial to make information in registers credible, for due-diligence use-cases and to hold submitters of information accountable.

To facilitate this in BODS, the standard allows sources created by agents to be attached to statements.
Any statement can have a source:

- Source type gives us clues on reliability
- Can have a source URL for linking to an external page
Sources are asserted by ‘agents’: an individual, organisation or other responsible agent making, or supporting, a given statement.

If an entity or person is making statements about itself then the name should be as it appears in the enclosing statements.
Source

Description: Lock Islands Beneficial Ownership Register

Source URL: www.companieshouse.lock/ + statementID for ownership or control statement

Retrieved At: Today’s date

Asserted By

Name: Leiza Sánchez Guzmán
The purpose of annotations is to provide additional information for beneficial ownership data, to provide context or linked materials, or to provide detail on how data has been transformed.
BODS: advanced concepts

Motivations

"commenting"
"correcting"
"identifying"
"linking"
"transformation"

Description
A free-text description to annotate this statement or field.
BODS: advanced concepts

Person statement

ID
20c70017-1a13-4f12-8d74-64fe1e104cd2

Statement type
personStatement

Statement date
30/09/2014

Person type
knownPerson

Missing information
reason(s)

Names

Name 1

Type
fullName

Full name
E. Gómez Garrido
Annotations can apply to either:

- a **whole** statement
- any **path** within a statement (or a part of a statement)
BODS: advanced concepts
### Person statement

**ID**: 26c76017-1e13-4f12-8d74-64e1e104cd2

**Statement type**: personStatement

**Statement date**: 30/09/2014

**Person type**: knownPerson

**Missing information reason(s)**: 

### Names

**Name 1**

**Type**: fullName

**Full name**: E Gomez Garrido

### Statement Fragment Pointer

/names/0/

### Creation Date

05/07/2018

### Created By

**Name**: Jack Lord

**URI**: 

**Motivation**: commenting

**Description**: In other documents, E. Gomez Garrido has been referred to as Ernesto Gomez Garrido.

**Transformed content**

**URL**: 

---

**OPEN OWNERSHIP**
**BODS: advanced concepts**

- Trusts
- Sources
- Annotations
- **Missing data**
- Politically-exposed persons
- Replacing statements
- Arrangements
- Indirect and direct ownership
BODS: advanced concepts

- Trusts
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- Indirect and direct ownership

...RENO Energy Ltd, believed to have connections to political figures, including the Junior Minister for Mines and Oil, Roberto López. The Minister for Mines and Oil, Ernesto Gómez Garrido, has promised to investigate.
Politically Exposed Person Status

**PEP Status 1**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Prime Minister of Solaria</th>
</tr>
</thead>
</table>

**Jurisdiction**

<table>
<thead>
<tr>
<th>Name</th>
<th>Rupert Smith</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country code</td>
<td>XS</td>
</tr>
<tr>
<td>Start date</td>
<td>2014-04-01</td>
</tr>
<tr>
<td>End date</td>
<td></td>
</tr>
</tbody>
</table>
BODS: advanced concepts

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BODS: advanced concepts

- Trusts
- Sources
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- Arrangements
- Indirect and direct ownership
BODS: advanced concepts

Name: Ernesto Gomez Garrido
Nationality: XD

PEP Status:
  From: 2014-03-08
  To: 2018-07-17
  Reason: ?
Statements are immutable...

....so we replace statements rather than update.

The new statement should leave a trail back to the old statement(s) so that changes over time can be traced.
BODS: advanced concepts

- Trusts
- Sources
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- Missing data
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- Arrangements
- Indirect and direct ownership
Joint shareholding is a kind of arrangement.

The *arrangement* is the interested party to REN Consulting Limited and the joint shareholders are interested parties in the arrangement.

In this example, based on English law, both parties have a 100% interest in the arrangement because they are considered to have an equal and undivided right to the interest.
Discussion question:

What is Ernesto Gomez Garrido’s indirect interest in REN Energy Ltd?
Congratulations!

You are now advanced

www.openownership.org
Next steps, needs and support

Presented by Kadie Armstrong

www.openownership.org
What OpenOwnership offers
The Beneficial Ownership Data Standard (the Standard) is being developed in collaboration with users and experts in technical standard-setting.

It will enable the resulting beneficial ownership data to be interoperable, more easily reused, and higher quality. We are engaging with public and private sector publishers of beneficial ownership data to encourage uptake of the Standard.

- Building a stable and trusted beneficial ownership data standard and user base.
- The OpenOwnership pilot program
- 1-1 technical assistance
- Private sector engagement
- Sharing knowledge and best practice
● Building a stable and trusted beneficial ownership data standard and user base.

● The OpenOwnership pilot program

● 1-1 technical assistance

● Private sector engagement

● Sharing knowledge and best practice

Our pilot program supports data publishers in national governments and multinational institutions to publish high quality, highly usable beneficial ownership data. We provide public entities that are publishing beneficial ownership data with bespoke technical assistance.

The lessons learned from these partnerships will also inform the development of implementation guidance, case studies, and best practice for future beneficial ownership initiatives.
Whether this occurs within the pilot program or on a bespoke basis, we are committed to providing technical assistance to beneficial ownership data publishers in both the public and private sectors.

Through our helpdesk (available by contacting support@openownership.org) we can answer questions about technical implementation and provide a hub for sharing best practice and learnings from different implementations.

- Building a stable and trusted beneficial ownership data standard and user base.
- The OpenOwnership pilot program
- 1-1 technical assistance
- Private sector engagement
- Sharing knowledge and best practice
We are encouraging corporations and financial institutions to use the OpenOwnership Register (and eventually our API) as part of their due diligence processes and to submit their ownership data to the Register.

We are currently seeking early adopters to work with so that we can build a strong use case to build momentum.

- Building a stable and trusted beneficial ownership data standard and user base.

- The OpenOwnership pilot program

- 1-1 technical assistance

- Private sector engagement

- Sharing knowledge and best practice
We will continue to champion beneficial ownership transparency amongst all our key stakeholder groups.

To do this, we regularly hold workshops like this and other events to engage users and gather feedback. We also collate and share case studies of real world use cases and briefing papers through our the resources page on our website:

openownership.org/resources

- Building a stable and trusted beneficial ownership data standard and user base.
- The OpenOwnership pilot program
- 1:1 technical assistance
- Private sector engagement
- Sharing knowledge and best practice
Beneficial Ownership Data Standard

Working Group - overview

- The working group includes a range of stakeholders with an interest and expertise in data relating to corporate control or beneficial ownership,
- Committed to the use of such data in the public interest.
- Working group members guide development of the standard, ensuring that relevant requirements, user needs and technical considerations are taken into account.

Private sector working group
Your feedback will help us provide true visibility on who you’re doing business with

Public sector working group
Tell us how we can streamline procurement due diligence, law enforcement, and tax investigations

Civil society working group
What can we do to help you get your next big story from our data?

Data standard working group
Help create the world’s first beneficial ownership data standard
Collecting **complex examples** of ownership structures. (Send to support@openownership.org or this issue)

Reviewing and feeding back on **documentation**.

Using the **new release of the Standard**.

Contributing **case studies**.
Identifying your support needs - Activity
- Policy decisions
- Implementation decisions
- Pilots
- Collection systems
- Data collected
- Data management systems
- Data quality
- Data processing
Contact details

Helpdesk contact email: support@openownership.org

Zosia, OpenOwnership: zosia@openownership.org

Jack, Open Data Services Cooperative: jack.lord@opendataservices.coop

Kadie, Open Data Services Cooperative: kadie.armstrong@opendataservices.coop