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A Summary Guide to Implementing Beneficial Ownership Transparency

This booklet summarises our online guide to implementing beneficial ownership transparency. This guide provides practical resources for governments implementing beneficial ownership transparency, and shares the knowledge and good practice being developed by countries around the world. It breaks down implementation into six focus areas: Consider, Commit, Legal, Systems, Data and Publish. www.openownership.org/guide

01

Consider

More countries around the world are considering beneficial ownership transparency. This section covers what beneficial ownership transparency is, why it matters, and outlines recent international and national developments towards beneficial ownership transparency.

At the 2019 Open Government Partnership Summit in Ottawa, Canada,

a new transnational Leadership Group commenced. This coalition of governments will drive a global norms shift and set ambitious international best practice on beneficial ownership transparency.

– Money laundering through corporate structures is a borderless problem that requires a borderless solution. In order to confront this challenge, governments will need to collaborate rather than working in parallel.

– The Leadership Group can help us ensure that the resulting data fulfills the true potential of corporate transparency reform, by allowing us to "follow the money" transnationally.

Online resources

– Foundational resources on what beneficial ownership transparency is, and why it matters.

– Briefings on why beneficial ownership data should be public, and published as open data.

– Five characteristics of effective beneficial ownership data, and recommendations for implementing these.

– An overview of how countries are approaching beneficial ownership transparency, and emerging international best practice.

02

Commit

Countries around the world are making public commitments to beneficial ownership transparency. This section offers guidance on what to think about and include.

Making a strong public commitment through a forum such as Open Government Partnership or Extractive Industries Transparency Initiative can help implementation stay on track, and solidify your intended policy impact. This will also enable you to share knowledge, experiences and good practice with other countries.

An effective public commitment to beneficial ownership transparency should:

– Be ambitious, specific and achievable.
– Articulate your policy objectives and the intended benefits for the country.
– Be mutually reinforcing with relevant international standards, such as the EITI Standard and Beneficial Ownership Disclosure Principles.
– Build on the current context (for example, if a non-public register already exists, commit to making it publicly available as open data).
– Identify key agencies that will be involved in implementation, and name a lead agency.
– Be developed in participation with relevant stakeholders including data users and policy makers.

Online resources

– Information about the international Beneficial Ownership Disclosure Principles that have been developed by the UK Government and civil society.
– Checklist for making an effective commitment to beneficial ownership transparency.

03
Legal

Implementing beneficial ownership transparency is likely to require changes to legislation and regulation. This section outlines the aspects relevant to putting in place an effective legal framework for beneficial ownership transparency, and provides resources to help.

For an effective legal framework:

1. Design with data in mind:
– When designing law and regulation, it is important to understand how people need to use beneficial ownership data in order to achieve policy impact. The legal framework should then be designed to meet these needs.

2. Privacy concerns should not be a barrier:
– Public disclosure of beneficial ownership information is needed to achieve legitimate policy goals, and as such is generally compatible with data protection provisions.

3. Involve relevant agencies and stakeholders:
– Whilst a single agency should lead the legal reforms, involving other departments and agencies will help ensure that the legal framework responds to policy needs.
– Involving stakeholders such as companies and civil society in developing the legal framework will help ensure that it is workable in practice, and that a community of people are able to use the data to achieve the intended policy impact.

Online resources

– An overview of key aspects to consider when designing a legal framework for beneficial ownership transparency.
– A policy review tool to work through key decision points.

– Guidance on how verification can be incorporated in legal frameworks.
– Information on how beneficial ownership transparency can be balanced with privacy and data protection.

04

Systems

Beneficial ownership transparency involves the collection, storage and publication of data. This section offers guidance on how to develop systems and software that collect, store and publish structured beneficial ownership information that is useful and effective at driving policy impact.

For systems that drive policy impact:

1. Use the Beneficial Ownership Data Standard:

– Put in place systems that can store and publish structured data so that it can be easily used and understood.

– Using the Beneficial Ownership Data Standard is the easiest way to achieve this.

– The Beneficial Ownership Data Standard (BODS) makes it easier for users of beneficial ownership information to utilise the information published in your register and link it with other datasets to drive policy impact.

2. Understand the technical considerations:

– Most countries have central registers of companies that include relevant information, they may therefore consider 'adding' beneficial ownership into this existing company register, but there may be technical differences in the system requirements for a company register and a beneficial ownership register.

– To understand what changes may be needed, existing systems (both digital and paper) that are involved in collecting, storing and publishing company information should be mapped.

Online resources

– A primer explaining the Beneficial Ownership Data Standard (BODS) and why it is helpful.

– BODS resources for technical staff, including data schema and documentation.

– A field mapper tool to allow technical staff to compare existing register systems to BODS.

– A Data Review Tool for technical staff to validate data against the BODS schema.

05

Data

At each stage in the implementation journey, actions can be taken that will improve the quality of the data in your beneficial ownership register. This section breaks down the topic of data quality and verification into three steps: authentication & authorisation, validation and truth verification, and offers guidance on how to incorporate these as you implement beneficial ownership transparency.

Five ways to improve data quality:

1. Require identification:
– Request this for the person making the declaration, and the beneficial owner themselves.
– Where practical, check this against existing government data to validate they are real people.
– This increases the risk of submitting false information provided sanctions are present and enforced.

2. Use an electronic form:
– Include as many fields as possible from our template paper form.
– Incorporate validation to constrain the responses that can be entered to certain fields (such as address, zip code, date of birth).

3. Publish sufficient information about beneficial ownership:
– Ensure that data users can identify beneficial owners – e.g. publish unique identifiers for each beneficial owner in the system, contact address, month and year of birth.

4. Publish beneficial ownership information as open data using BODS:
– This ensures that others can easily use it and link it to other datasets.

5. Ensure adequate sanctions for non-compliance:
– Put in place sanctions for non-compliance and submission of false information, and processes to identify and investigate suspicious submissions.
– Ensure that sanctions are enforced in practice.

Online resources

– A working paper outlining a three step approach to data verification, and providing examples of how to implement these.

– A set of example forms for collecting beneficial ownership information, for countries using paper forms.

– Information on five key ways to improve data quality.

06

Publish

There are many ways to publish beneficial ownership information publicly; some will better promote policy impact than others. This section offers guidance on how to publish information in order to drive policy impact.

Open data is the best way to publish beneficial ownership information, as it allows the widest possible range of people and organisations to use it to drive policy impact. Open data is digital "structured" or "machine-readable" data that is available free of charge and can be used and reused by anyone. This means it is easier for people and organisations to use it for public benefit. Structured data also allows you to link beneficial ownership information with other data and improves data quality to ensure you fulfil your policy goals.

Understanding the different ways in which people want to access and use the data

will help you design publication solutions that enable this. OpenOwnership recommends the following:
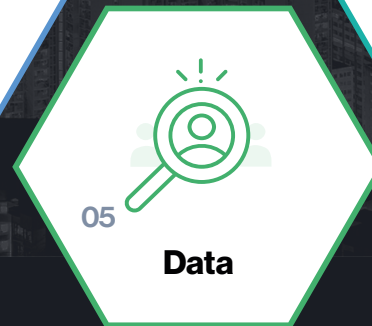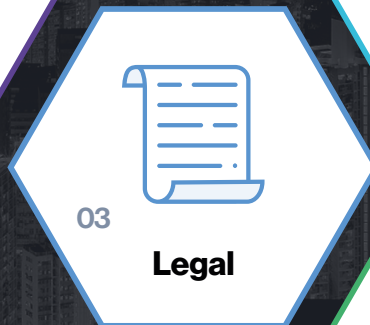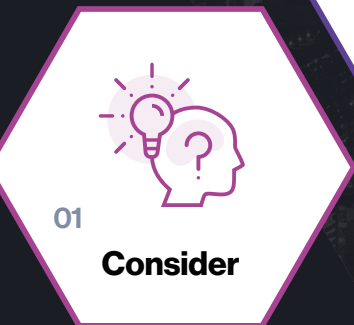
1. **Data is freely available online**, is searchable, downloadable and reusable by the public, without a fee, proprietary software, or the need for registration.
2. **Data is available in bulk, in structured, machine-readable format** that complies with BODS.*
   – This could be via an API (which allows data users to access the data in machine-readable format such as JSON, direct from a website).

– It can also be via a bulk download service (where a copy of the entire registry data is put online at regular intervals in a downloadable open file format such as .csv).

3. **The published data is synchronised to the global OpenOwnership Register**, which links beneficial ownership data from across the world.
   – This links national data with beneficial ownership data from other countries, increasing policy impact.
   – This can be done using the API or bulk download solution mentioned above.
   – You can contact us for more information.

Online resources

– A briefing on the importance of publishing beneficial ownership information as open data.
– Guidance on best practice for publishing beneficial ownership data and synchronising national registers to the global OpenOwnership Register.

– A graphic explaining the data spectrum: the differences between closed, public and open beneficial ownership data.

* Beneficial Ownership Data Standard

02

Commit

04

Systems

01

Consider

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Legal

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Data

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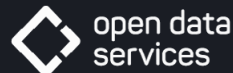The full guide can be accessed at

www.openownership.org/guide

For further information, contact us at support@openownership.org. We also provide tailored support via the OpenOwnership Pilot Programme. Visit www.OpenOwnership.org for details.

Beneficial ownership transparency is a relatively new policy area, and best practice is still emerging. Therefore, this guide should be understood as a work in progress, which will continue to evolve and improve over time in response to OpenOwnership's continuing collaborations with governments around the world.

open data services

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