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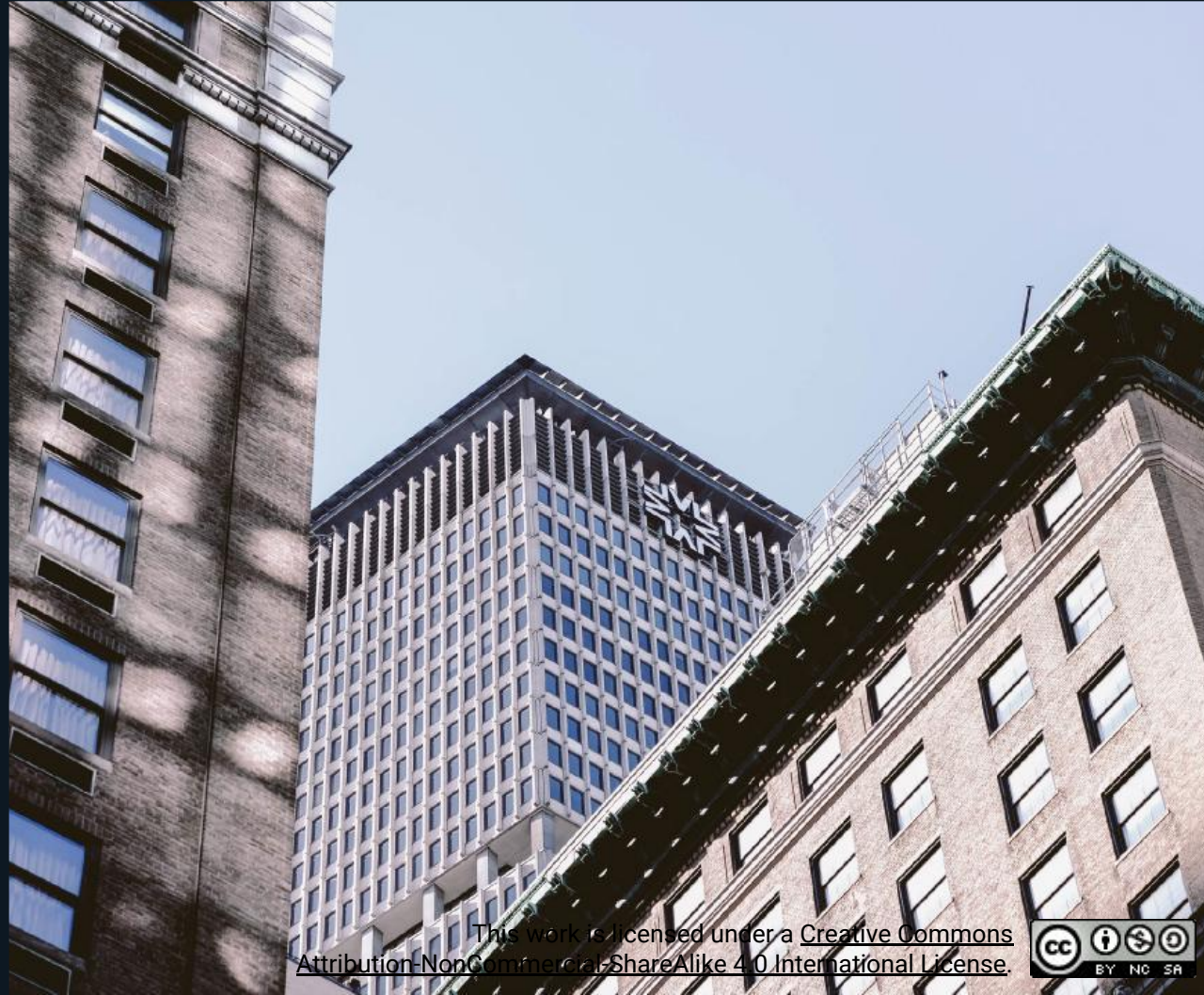
The Global Beneficial Ownership Register

What we really mean when we talk about verification
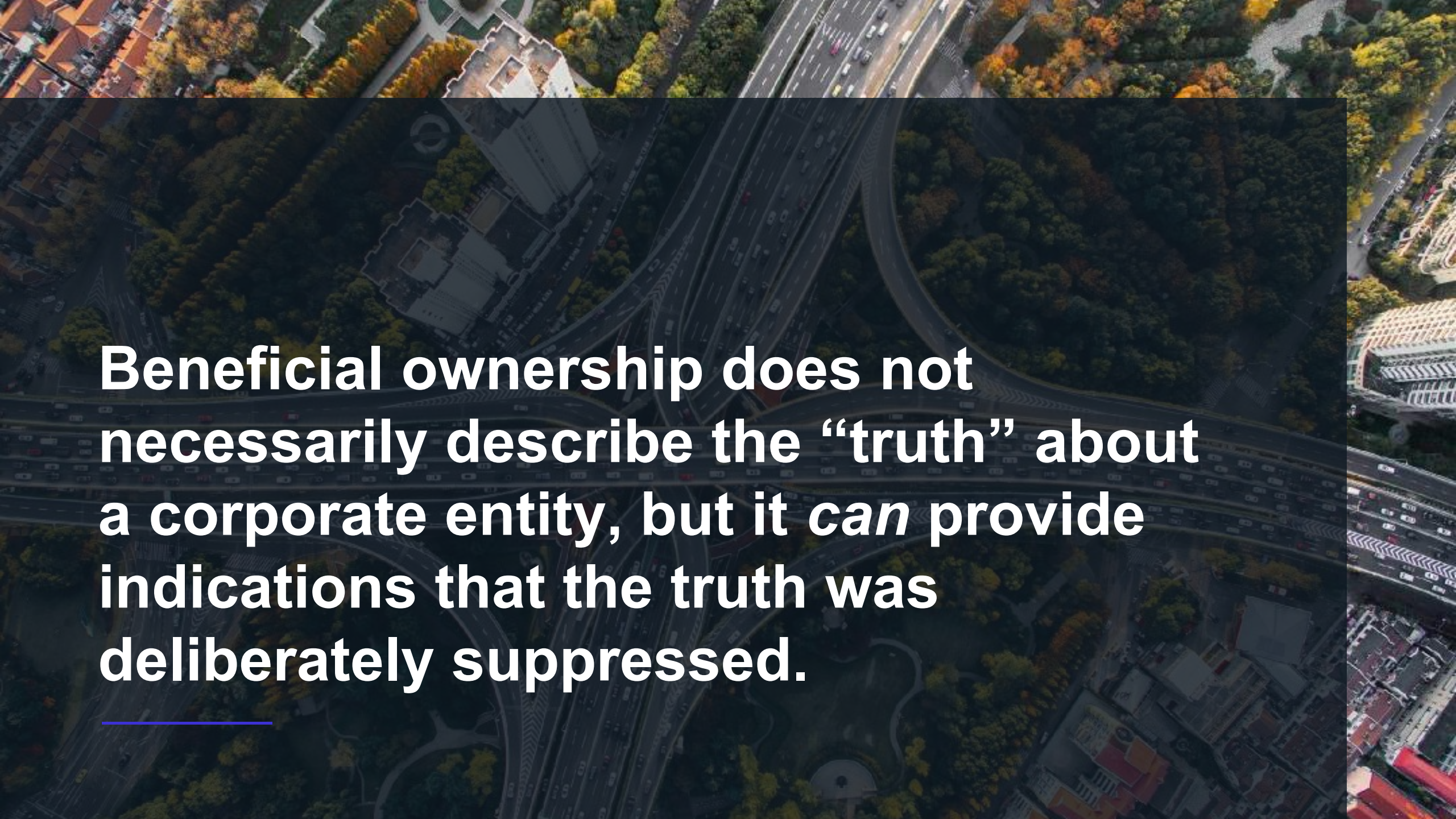
July 2018

Beneficial ownership does not necessarily describe the "truth" about a corporate entity, but it *can* provide indications that the truth was deliberately suppressed.

Key considerations:

- How easy is it to tell the difference between a genuine mistake, and an attempt at obfuscation?

- Is there a process for identifying red flags and investigating them?

- How many loopholes are still available for those who do want to cover their tracks?

The three steps of "verification":

- Authorization and authentication

- Validation

- "Truth" verification

Authentication and authorization:

Ensuring that the person making a statement about beneficial ownership is who they say they are (authentication), and that they have the right to make the claim (authorization)

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Ensuring that the person making a statement about beneficial ownership is who they say they are (authentication), and that they have the right to make the claim (authorization)

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Validation:
Ensuring that the data submitted is a legitimate possible value

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"Truth" verification: determining whether the statement made is true

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Only a small fraction of registered companies are being abused for criminal or unethical purposes.

"Truth verification" is about raising red flags about companies that might fit in this category.

Questions?

Authentication and authorization: digital identities

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Validation:

- Forms for data collection should have: date of birth validation, nationalities from a code list

- Trickier:

  - Company IDs (open data source: http://org-id.guide/)
  - Addresses (open data source: http://results.openaddresses.io/)

Truth verification: technological approaches
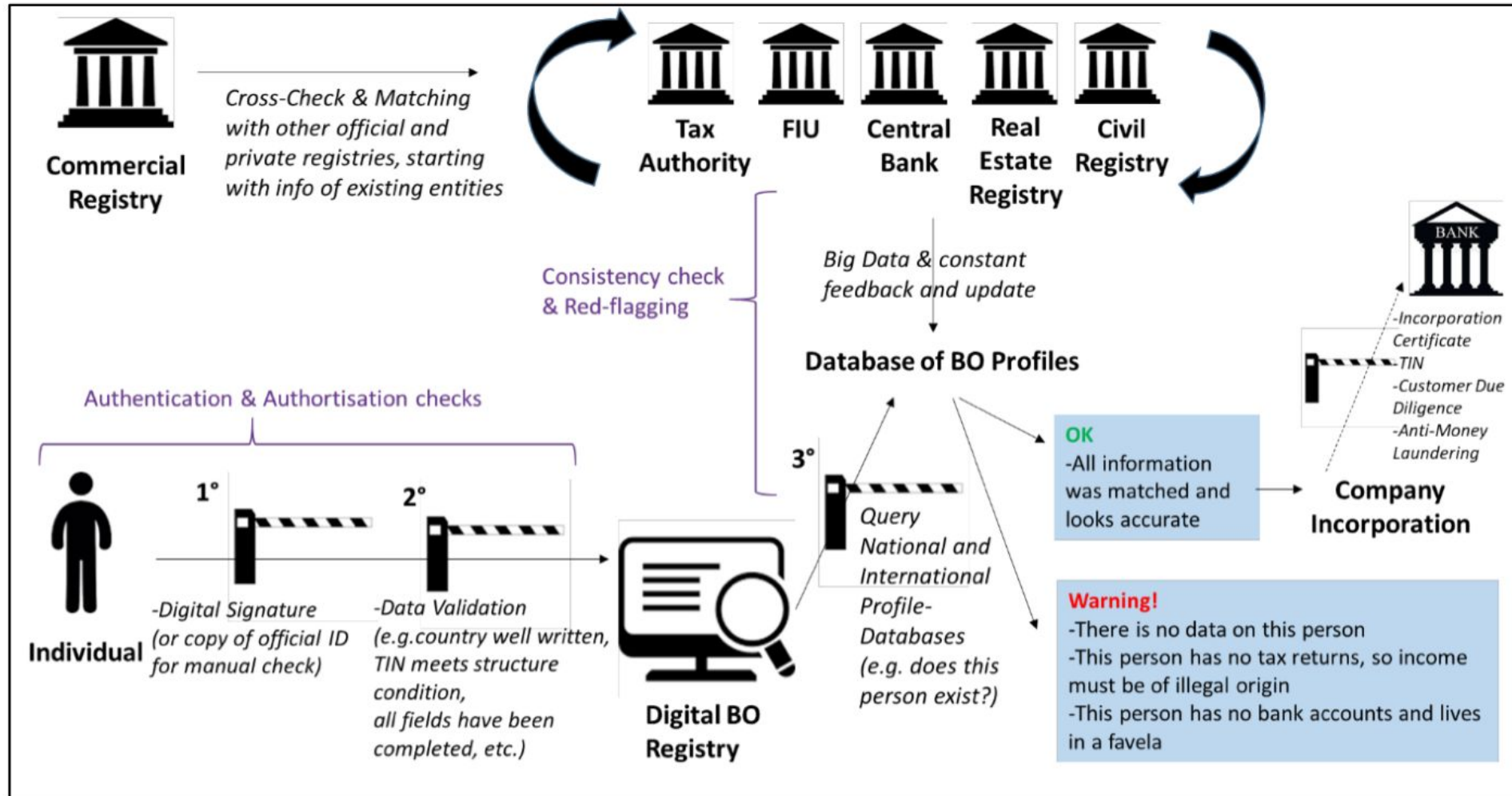
via Tax Justice Network

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Truth verification: administrative requirements

- Good coordination between agencies that will perform basic integrity checks, raise red flags, and investigate them

- Sanctions and enforcement process

- Data open, accessible, and usable so that users can raise red flags and increase risks

- **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

The Beneficial Ownership Data Standard (the Standard) is being developed in collaboration 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.

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- 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.

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- 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

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.

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- 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.

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- 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

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The Global Beneficial Ownership Register

Implementation Steps

Presented by Jack Lord

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.

The implementation journey

BOT: implementation steps

1. Getting political commitment

2. Assessing needs and frameworks

3. Create a data model

4. Designing business process

5. Publish the data

6. Maintaining the register

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BOT: implementation steps

1. **Getting political commitment**

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6. Maintaining the register

Getting political commitment

- Political **commitment** is vital.

- The desired **outcome** of political commitment is a binding legal document mandating the **collection and publication** of beneficial ownership data.

- The legal commitment may be new **legislation** or some other **legal instrument**.

- Politcial commitment will need need to be **renewed and reinforced** throughout the process.

BOT: implementation steps

1. Getting political commitment

2. **Assessing needs and frameworks**

3. Create a data model

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6. Maintaining the register

Assessing needs and frameworks

- Assess **user needs,** including any unique local use cases for beneficial ownership data.

- **Technological considerations** include:
  - whether there is an existing register that beneficial ownership data could integrated into;
  - whether there available resources to build the register; and
  - how user testing will be integrated into the process.

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BOT: implementation steps

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Assessing needs and frameworks

- Administrative needs:

    - A **lead agency** for implementation should be identified.

    - Who will manage and assess the quality of the data itself?

    - How will business be made aware of their responsibilities? And how will non-compliance be policed?

    - How will data protection needs be addressed?

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BOT: implementation steps

1. Getting political commitment

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Create a data model

- Aim is to publish high-quality data that maximises use and minimises loopholes.

  ○ Map the data that you hold, or will capture, to the Beneficial Ownership Data Standard.

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BOT: implementation steps

1. Getting political commitment

2. Assessing needs and frameworks

3. **Create a data model**

4. Designing business process

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Create a data model

- What makes a good data model?

  - Thorough beneficial ownership test

  - Granularity

  - Disambiguation

  - Historical data

  - Timeliness

  - Limited and clear exemptions

  - Chains of ownership

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BOT: implementation steps

1. Getting political commitment

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4. **Designing business process**

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Designing business process

- Collection of beneficial ownership information should be **as digital as possible** to reduce user errors.

  - OpenOwnership can provide recommendations for where digitalizing may represent the biggest value-add.

- Design good forms that use in-line validation

  - Good form design extends to off-line data collection

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BOT: implementation steps

1. Getting political commitment

2. Assessing needs and frameworks

3. Create a data model

4. **Designing business process**

5. Publish the data

6. Maintaining the register

Designing business process

- Provide a means of authorization

- Set deadlines and communicate publicly about them

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BOT: implementation steps

1. Getting political commitment

2. Assessing needs and frameworks

3. Create a data model

4. Designing business process

5. **Publish the data**

6. Maintaining the register

Publish the data

- Decide on a **license** for publication. An open data-compatible license that allows for re-use is recommended.

- Set targets for **reliability and uptime**.

- Decide on **bulk data and APIs** publication strategies (informed by use cases).

- Create policies on **archival storage** of data.

- Establish a method for users to flag data errors and other issues

BOT: implementation steps

1. Getting political commitment

2. Assessing needs and frameworks

3. Create a data model

4. Designing business process

5. Publish the data

6. **Maintaining the register**

Maintaining the register

- Data should be **verified**

- Lead agency should have the authority to follow up on **reports of data errors** and idenitfy the root cause: user error, dishonesty, design flaws, poor documentation?

BOT: implementation steps

1. Getting political commitment

2. Assessing needs and frameworks

3. Create a data model

4. Designing business process

5. Publish the data

6. **Maintaining the register**

Maintaining the register

- **Enforce requirements** to report to the register on time
  - Issue sanctions after multiple attempts and a certain amount of time has passed

- Provide users with **support** understanding process

- **Remove redacted data** in line with data protection requirements.

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BOT: implementation steps

1. Getting political commitment

2. Assessing needs and frameworks

3. Create a data model

4. Designing business process

5. Publish the data

6. Maintaining the register

BOT: Discussion

1. Getting political commitment

2. Assessing needs and frameworks

3. Create a data model

4. Designing business process

5. Publish the data

6. Maintaining the register

This is what *we* think the steps are.

- How do the steps match with what happened, or is happening, **in your country**?

- Are there any steps that we need **to add**?

- What steps have you encountered most difficulty with - and what **challenges** did you encounter?

- What can you give **advice** on to new implementers?

- Where are the **dependencies** and **feedback loops** in this process?

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Questions?

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Keep in touch

OpenOwnership.org

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