

BENEFICIAL OWNERSHIP COMMITMENTS FACT SHEET

Reforms in the area of transparency and beneficial ownership of legal entities (such as companies and foundations) and legal arrangements (e.g. trusts) have emerged as critical tools in combating corruption and shedding light on secretive international money flows. Secret ownership structures enable some oil, gas, and mining companies to evade tax payments or hide improper relationships with government officials. Publishing information about the individuals who ultimately profit from a company helps to deter the syphoning of public money, conflicts of interest, and tax evasion.

Key Takeaways:

- Improve implementation and global cooperation.
- Use open data interfaces to publish beneficial ownership registries.

Numbers at a Glance

15 OGP members have included beneficial ownership commitments in their action plans to date.

22 beneficial ownership commitments to date

13 currently being implemented

15 commitments have been assessed by OGP's Independent Reporting Mechanism (IRM).

7 have transformative potential impact.

4 are starred.

1 Has shown significant early results in increasing government transparency, citizen participation, or public accountability.¹

How many OGP participants are doing Beneficial Ownership?

Beneficial ownership commitments are relatively uncommon among OGP members. **10** OGP participants with action plans have at least one beneficial ownership commitment.

What are OGP participants doing about beneficial ownership?

- **Exploring feasibility:** Australia is consulting corporations, non-government organizations, and the public on the details, scope, and implementation of a beneficial ownership registry.
- **Developing registers:** Bulgaria and the United States, among others, are developing central registers to disclose company beneficial ownership.
- **Sector variation:** Some countries (for example, Mongolia) have made progress on sector-specific registers while other (for example, France) are implementing cross-sector registries.

¹As of November 1, 2018. Since delays can occur between Action Plan submission, IRM report releases, and when data are updated in OGP databases, data may not reflect the most up to date information for every country/local entity. Scored Major or Outstanding on the Independent Report Mechanism's (IRM) Did It Open Government metric.



So what?

The IRM assesses commitments for whether they are verifiable, relevant to open government principles, would create change on the ground, and are on their way to credible completion. We call these “**starred commitments.**” Based on these criteria, OGP’s beneficial ownership commitments are **starred at high rates** in OGP. **4 of 15 (26%)** of beneficial ownership commitments are starred. However, due to the low number of beneficial ownership commitments, we cannot yet draw any generalizations from this promising start.

Do we know anything about early results?

- **8 of 15 (53%)** beneficial ownership commitments are complete or near completion, which is significantly higher than the overall average of **36%**.
- We are still in the early days of assessing beneficial ownership commitments. Even so, **1 out of the 6** beneficial ownership commitments assessed at the end of their second year notably improved transparency. This is slightly less than the overall average of **20%**.

What does it all mean?

- **Implement and expand:** Beneficial ownership is an emerging theme in OGP, but for these commitments to succeed, they must focus on improving levels of implementation and treat beneficial ownership transparency as a global, collective effort and expand the coverage of beneficial ownership registries to more countries.
- **Spotlight on extractives:** Resource-rich governments have often been successful by starting with beneficial ownership disclosure in the extractive sector. Following their example, members could establish a register of beneficial owners for license-holding companies as the Extractive Industries Transparency Initiative (EITI) promotes. They can also require beneficial ownership information as part of the application for a license/ agreement with governments involving natural resources.
- **Open and public registers get results:** Experience from the first few members that have implemented beneficial ownership registers such as the United Kingdom and Slovakia have shown that public registers, in open data formats, allow for greater interoperability and use by stakeholders (investigative agencies, journalists, private sector, etc).

Notable Commitments

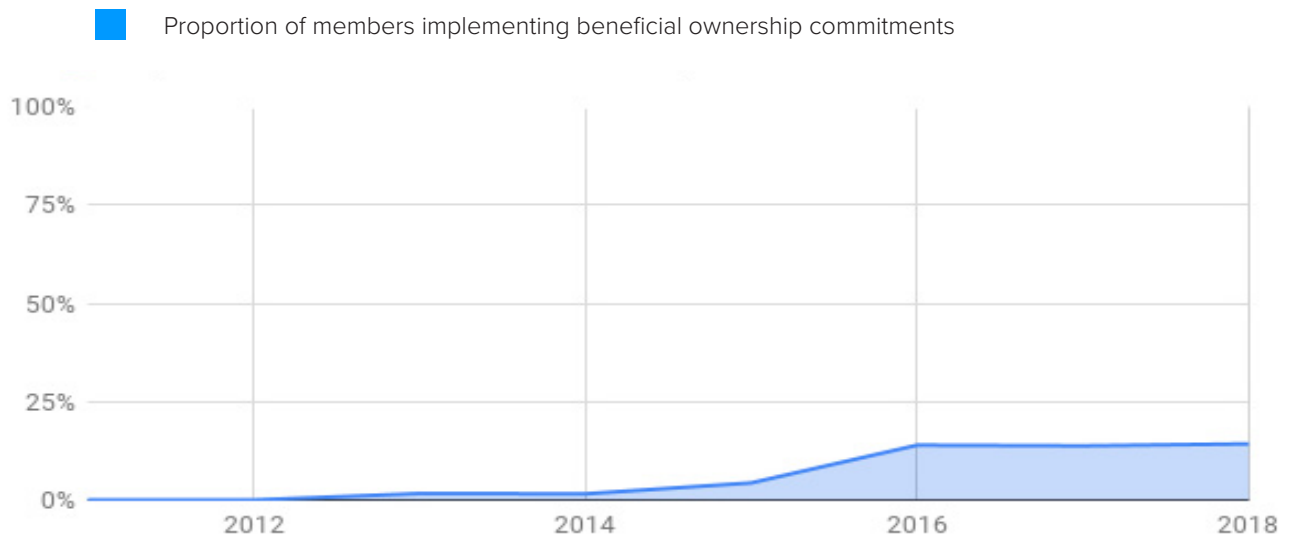
Ghana: Beneficial owners of public contracts

Ghana will publish information on the beneficial owners of entities that win public contracts. Ghana will also build on the existing register in order to comply with new requirements for the development and maintenance of a beneficial ownership database.

United Kingdom: Registry of beneficial owners of foreign companies

According to the National Crime Agency, as much as \$120 billion a year is laundered through the City of London alone. In response, the UK government introduced a public register of beneficial owners of British companies to increase transparency around who really owns, controls, and benefits from companies.

Beneficial Ownership Commitment Growth



Members Working on Beneficial Ownership:

No Members had Active Commitments in 2011 or 2012.

Members with Active Commitments in 2013:

- United Kingdom

Members with Active Commitments in 2014:

- United Kingdom

Members with Active Commitments in 2015:

- United States, France, Ghana

Members with Active Commitments in 2016:

- Ireland, Australia, Bulgaria, United Kingdom, Kenya, Mongolia, Norway, South Africa, Ukraine, France, Ghana, United States

Members with Active Commitments in 2017:

- Ghana, Liberia, Nigeria, Australia, Bulgaria, United Kingdom, Kenya, Mongolia, Norway, South Africa, Ukraine, Ireland.

Members with Active Commitments in 2018:

- Australia, Ghana, Ireland, Liberia, Macedonia, Nigeria, Norway, Ukraine

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