

Beneficial Ownership Verification

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Without verification



- 500 ways of writing “British”
- BOs match people on sanctions list.
- 300,000+ companies claim “no BO”
- BOs controlling 100+ companies (nominees)
- 400+ circular ownership structures

The long read

How Britain can help you get away with stealing millions: a five-step guide

Mmmmmmm Yyyyyyyyyyyyyyyyyyyy, and Mr Mmmmmmm Xxxxxxxxxxxx (correspondence address: Mmmmmmm, Mmmmmmm, Mmm, MMM), at

least eight different ways: Ali Moulaye, Alli Moulaye, Aly Moulaye, Ali Moyllae, Ali Moulae, Ali Moullaye, Aly Moullaye and, oddly, Ian Virel.

Verification: how to do it?

- 1) Comprehensive legal framework
- 2) Access & Exchange of Info
- 3) Data validation
- 4) Cross-checks
- 5) Analysis, Exploration & Red-flagging
- 6) Private sector

Comprehensive legal framework

Challenges

- Limited scope (No: trusts, LPs, listed companies), limited triggers (only incorporation)
- No: full ownership chain; outdated LO
- Bearer shares
- High thresholds
- Senior manager instead of real BO
- No incentives (low sanctions, low enforcement)

Access & Exchange of Info

- Obligated entities: report discrepancies
- Public access: analyses by NGOs & Journalists
- Open data: sophisticated analyses
- Interconnection / cross-checks against foreign BO registries

Data validation

- Biometrics, videocall, digital signature
- Data validation within registration forms
- Prefilled data based on gov records (eg company name and address from commercial register)
- Legal checks: no dead BO
- De fact check: address exists, corresponds to a building
- Authorisation: contact BO to confirm their ok

Cross-checks

-If no interconnection / pre-fill of data:

Cross-checks:

- Name, address, DOB, TIN

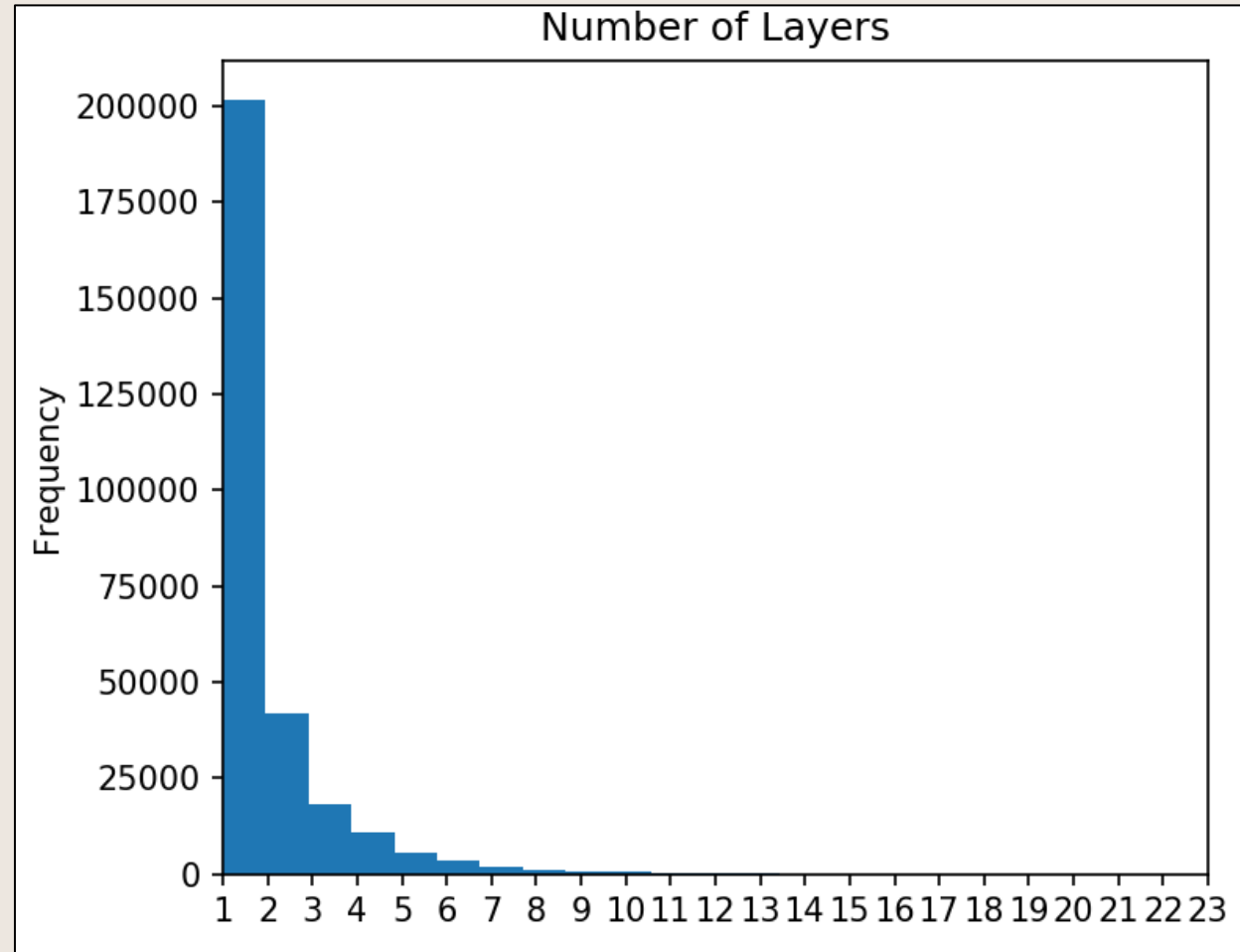
- Ownership chain

- Zero-knowledge proof (exact match) of non-residents' personal data

Analysis, Exploration & Red-flagging

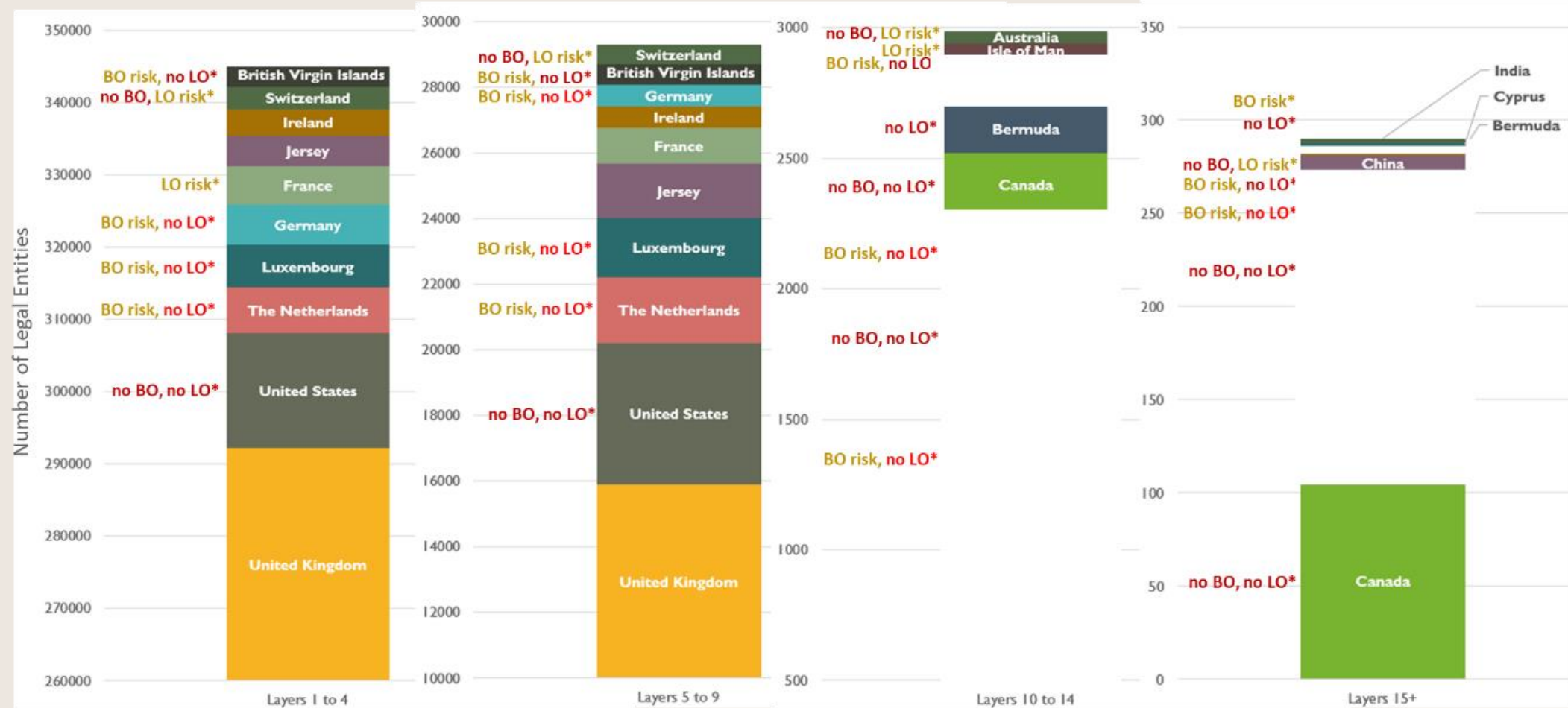
- Statistics on typical structure (No. Layers, nationality, type of entity)
- Statistics on BO (income, address, education, No. of entities, etc)
- PEP status? Sanction lists?
- Red-flags: shared address/entity w/ entities/BOs involved in IFF, frequent changes of address/structure, suspicious profile (low declared income but involvement in high-income entity, new entity but winning public tender, high income but not consumption of gas, electricity, etc)

Data Exploration



Data Exploration

Top 10 Countries in Each Ownership Layer



Note: X-axis not from zero, UK represents a higher share than is suggested by the blocks. Data points missing country field have been removed.

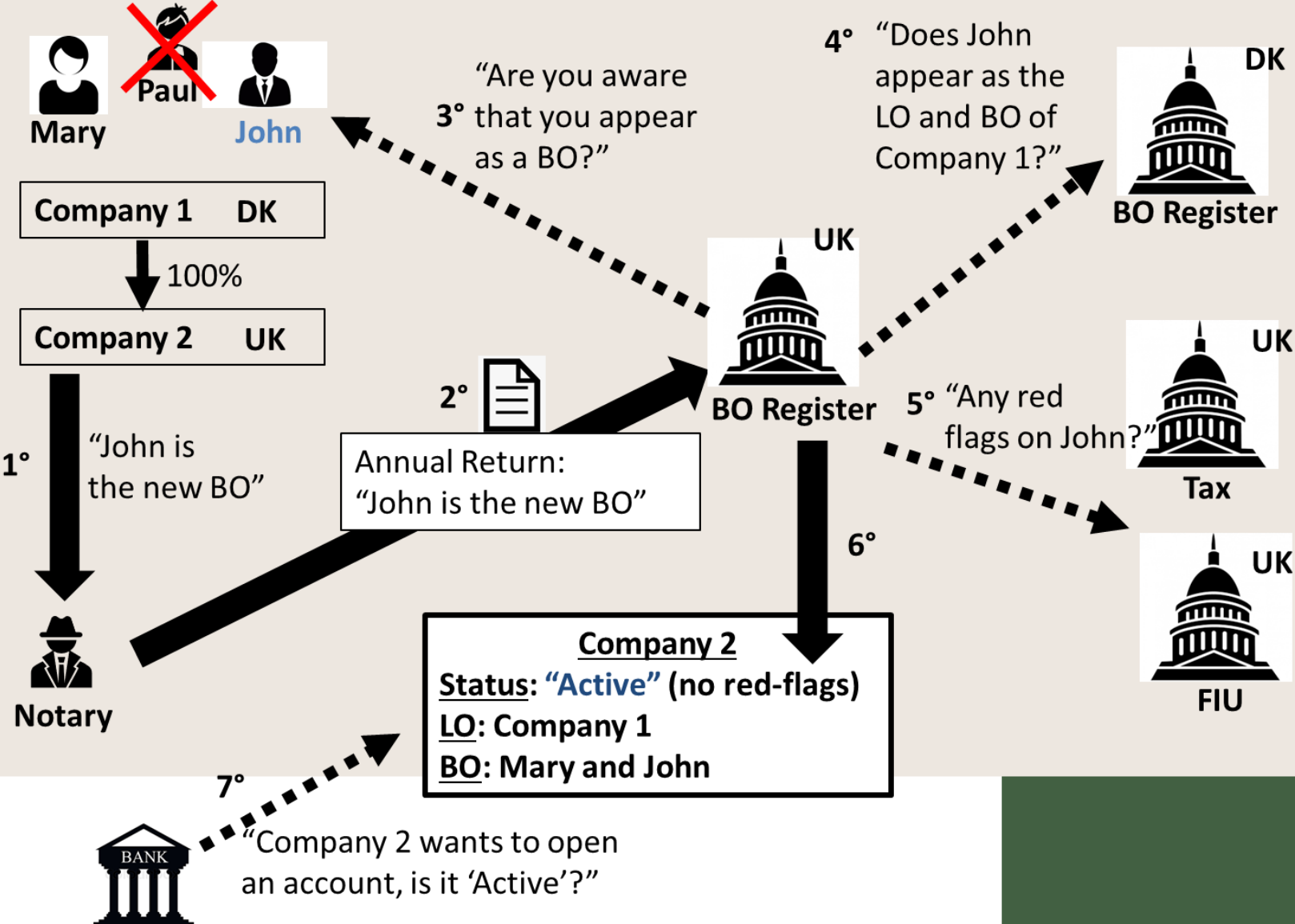
BO risk* Lacking complete and updated register of beneficial ownership data
no BO* Lacking complete register of beneficial ownership information

LO risk* Lacking complete and updated register of legal ownership information
no LO* Lacking complete register of legal ownership information

Private Sector

- Report discrepancies to BO register
- Anonymous cross-check among banks
- Check BO Register before setting up an account / transferring money


The Future of Verification





Thank You!

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