

Beneficial Ownership Fact Sheet

KEY TAKEAWAYS

- ✓ More and more member countries of the [Open Government Partnership \(OGP\)](#) are making beneficial ownership transparency commitments.
- ✓ Beneficial ownership commitments tend to be highly ambitious, but more focus on effective implementation is needed.
- ✓ For OGP members who are already disclosing beneficial ownership data publicly, next steps include closing loopholes in legislation and implementing verification processes.

WHY BENEFICIAL OWNERSHIP TRANSPARENCY?

Beneficial ownership transparency has emerged as an important tool for combating money laundering and tax evasion. Shell companies (and other legal vehicles) are often used to hide profits, terrorist financing, or illegally obtained money. [Roughly 70 percent](#) of the biggest corruption cases between 1980 and 2010 involved anonymous companies. Yet in most countries, disclosure of the individual(s) who ultimately controls or profits from a business is not required.

STATUS QUO

According to an analysis of the [2020 Financial Secrecy Index](#):

- **Members lack regulations:** Over half of OGP members do not require beneficial ownership information to be recorded, let alone disclosed publicly.
- **Few publish comprehensive data:** Only a handful of OGP members publish beneficial ownership data online, including Denmark, Ukraine, and the United Kingdom.

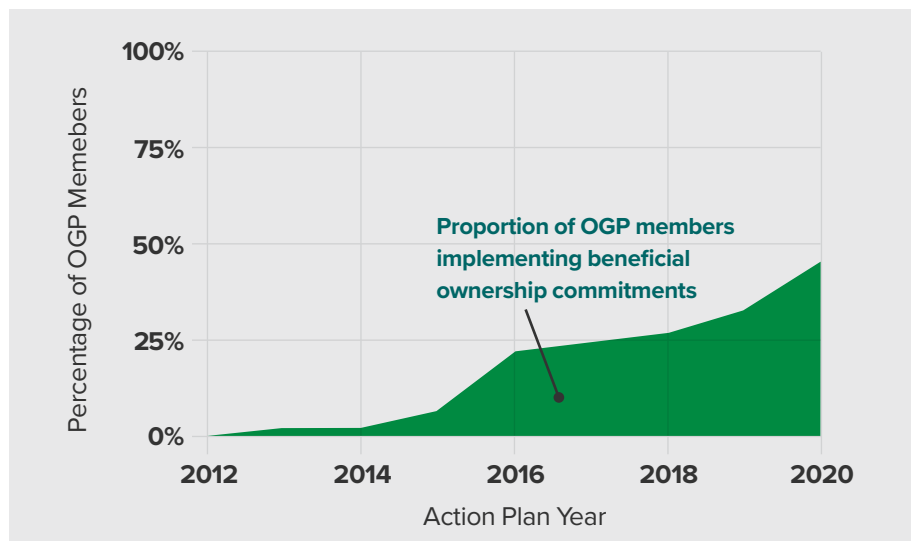
Commitment data analyzes all commitments through the 2020 action plan cycle. As of 2020, OGP consisted of 98 national and local members.

Open
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BENEFICIAL OWNERSHIP COMMITMENT PROGRESS

OGP members are committing to disclose beneficial ownership more frequently in their action plans (see figure below). Consequently, beneficial ownership transparency is one of OGP's fastest-growing areas for action. Altogether, one third of OGP national members have made 52 total beneficial ownership commitments since OGP was established in 2011. Currently, 18 of these members are implementing beneficial ownership commitments from their 2019 or 2020 action plans.



WHAT ARE OGP MEMBERS DOING ABOUT BENEFICIAL OWNERSHIP?

- Drafting legislation to mandate beneficial ownership registers
- Creating Sector-specific registers, most commonly in the extractives sector
- Creating Cross-sector registers
- Collaborating with CSOs, technologists, and journalists to develop registers and verify information

WHERE TO NEXT

The following recommendations summarize key actions for OGP members to implement:

Legal Framework

- Implement legislation and/or regulations that mandate the collection of beneficial ownership information.
- Close loopholes, such as by lowering thresholds for ownership and expanding collection of information for various legal vehicles.

Open Register

- Work with civil society to design a register that is useful and usable.
- Disclose information in high-risk sectors, such as contracting and extractives.
- Ensure register is publicly available online, free of charge, and updated regularly.
- Ensure interoperability across sectors and jurisdictions using international standards.

Verification and Monitoring


- Build strong verification systems to ensure accurate, high-quality data.
- Engage citizens in monitoring through formal and informal accountability channels.




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NOTABLE COMMITMENTS


Recent Results


 **Armenia - Piloting a Beneficial Ownership Register (2018)**
In April 2020, Armenia piloted its first beneficial ownership register in the mining sector, given that the sector contributes [about seven percent of annual state revenue](#) and had been the source of reported corruption. Following its success, Armenia [passed legislation in April 2021](#) that will require companies across the economy to publish information on their real owners in a national registry.

 **Nigeria - Passing Beneficial Ownership Legislation (2017, 2019)**
In 2017, Nigeria committed to collecting and disclosing beneficial ownership information in the corruption-prone extractive sector. Without enacting legislation, a website was launched to house data for the extractives sector. Fortunately, in 2019, Nigeria committed to pushing ahead with legally requiring the collection of beneficial ownership information and publishing it in an open register according to international standards. In August 2020, President Muhammadu Buhari signed the new beneficial ownership registry into law as part of the *Companies and Allied Matters Act*.

Commitments to Watch

 **Slovak Republic - Expanding the Scope of Beneficial Ownership (2019)**
The Slovak Republic is building on previous beneficial ownership reforms by being the first country to commit to full implementation of the [Beneficial Ownership Transparency Disclosure Principles](#). This includes modifying its national framework for beneficial ownership and expanding the disclosure of data beyond legal entities receiving public funds to include all legal entities, public authorities, and entrepreneurs.

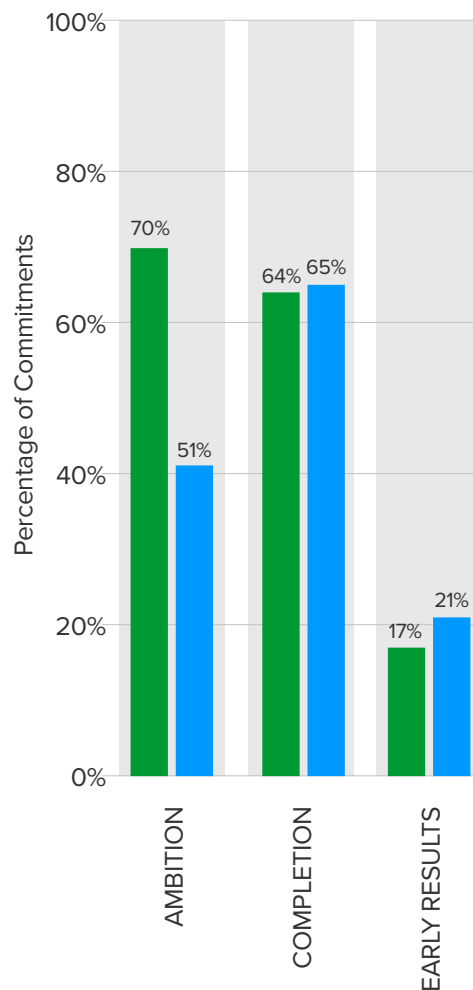
 **Mexico - Co-Creating a Beneficial Ownership Plan (2019)**
Civil society and the government are collaborating to design a pilot program to require companies in the extractives sector to publish beneficial ownership information. This is the first step to establish a public registry of beneficial owners and to advance in the implementation of EITI standards and Financial Action Task Force recommendations.



 **Ukraine - Auditing Beneficial Ownership Data (2020)**
Building on previous reforms, Ukraine is organizing an independent audit of state registers as a first step in creating a uniform approach for verifying beneficial ownership data.

IRM QUICK STATS

According to OGP's Independent Reporting Mechanism (IRM), beneficial ownership commitments tend to have higher ambition than the average OGP commitment but weaker early results.

Commitment Performance



 Beneficial Ownership commitments
 All OGP commitments

Ambition - Ambitious commitments are those that the IRM finds would make transformative changes if fully implemented.

Early Results - Strong early results indicate the commitment made significant improvements to government openness.