

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?

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 many countries, disclosure of the individual(s) who ultimately controls or profits from a business is not required. Collecting and publicly disclosing company beneficial ownership data can help reveal money laundering, conflicts of interest, improperly awarded government contracts, and tax evasion.

STATUS QUO

According to findings from the [Global Data Barometer](#):

- **Members lack regulations:** Over one-quarter of OGP countries do not require beneficial ownership information to be recorded, and over three-quarters do not require this data to be disclosed publicly.
- **Some countries have data available online, but few publish comprehensive data:** While one-third of OGP countries publish some form of beneficial ownership information, most of these datasets lack key elements - such as identifying information for each beneficial owner or machine-readability.

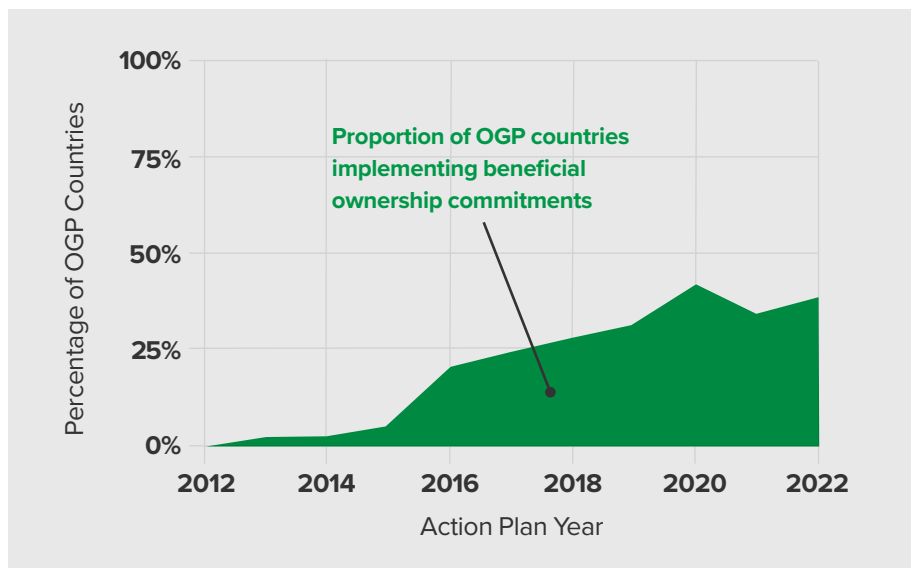
This fact sheet covers all commitments submitted as of June 30, 2023. As of this date, OGP consisted of 76 national and 104 local members.

Open
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COMMITMENT PROGRESS

OGP countries 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. Over one-third of active national action plans currently include a beneficial ownership commitment. Altogether, 39 countries have made a total of 74 beneficial ownership commitments since OGP was established in 2011.



WHAT ARE OGP MEMBERS DOING?

→ Drafting legislation to mandate beneficial ownership registers

→ Creating sector-specific registers, most commonly in the extractives sector

→ Creating cross-sector registers

→ Collaborating with civil society leaders, 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.
- Require that beneficial ownership data is publicly available and free of charge.
- 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 jurisdictions and sectors – such as public procurement – using international standards.

Verification and Monitoring


- Build strong verification systems to ensure accurate, high-quality data.
- Train public officials and non-government actors (such as civil society leaders, journalists, and researchers) on how to interpret and use data to detect corruption.
- Enforce sanctions for false or incomplete data, and empower watchdogs to trigger corrections and investigations.




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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 extractives sector, setting it up to streamline data entry and automatically verify and cross-check submissions. Following its success, Armenia [passed legislation in 2021](#) that requires companies across all economic sectors to submit information on their real owners to an open [national registry](#). As part of its current action plan, Armenia is implementing a [commitment](#) to integrate public procurement and beneficial ownership data.

 **Nigeria - Passing Beneficial Ownership Legislation (2017, 2019, 2023)**
Following the successful launch of a beneficial ownership register for the corruption-prone extractives sector, Nigeria committed to pushing ahead with legally requiring the collection of beneficial ownership information across all sectors and publishing it in an open register according to the [Beneficial Ownership Data Standard](#). The expanded beneficial ownership register was officially launched in May 2023. The register is searchable by entity name, number, or an individual's name, and users are able to view the historical information of a company's beneficial owners.

Commitments to Watch

 **Canada - Implementing a Public Beneficial Ownership Register (2022)**
Canada committed to implementing a publicly searchable beneficial ownership register by the end of 2023. The register will cover federally regulated companies and include beneficial ownership data from provinces that opt to participate in the register.

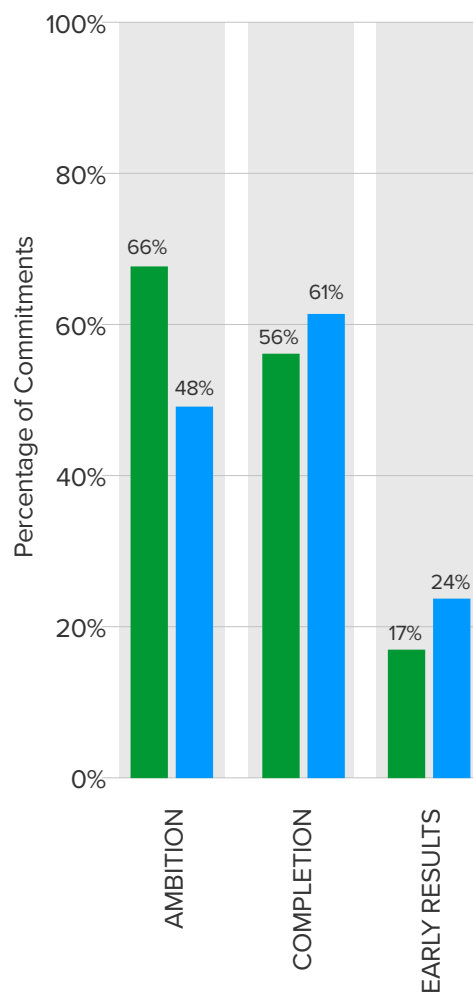
 **New Zealand - Legislating Beneficial Ownership Transparency (2022)**
New Zealand committed to taking its first steps towards institutionalizing beneficial ownership transparency. This includes drafting legislation that will require beneficial ownership information for companies and limited partnerships to be made available on a public register.



 **Slovak Republic - Improving Beneficial Ownership Data Quality (2022)**
Building on previous anti-corruption reforms, the Slovak Republic committed to ensuring that the beneficial ownership declarations of all registered businesses be subject to verification. This would extend stricter rules of data control from the current 30,000 businesses to approximately 300,000 entities.

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 have substantial potential for results, according to the IRM.

Completion - Completed commitments indicate that the commitment was substantially or fully implemented within the action plan period.

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