“Shaping the Future”: Roundtable discussion on Beneficial Ownership Transparency

2024 International Anti-Corruption Conference – Vilnius, Lithuania

Rapporteur’s summary report

The International Anti-Corruption Conference (IACC), hosted by the Government of Lithuania in June 2024, gathered practitioners from around the globe to discuss and advance action on crucial anti-corruption goals. The Open Government Partnership (OGP) and Open Ownership co-organized a roundtable discussion titled “Shaping the Future: Advancing Collective Action for Impactful Beneficial Ownership Transparency” which brought together government representatives, civil society leaders, and multilateral organizations to discuss progress, achievement and future plans to advance Beneficial Ownership Transparency (BOT) reforms.

The discussion initiated with welcome remarks by Shreya Basu, Chief of Country & Local Programs at OGP framing the discussion around the collective progress made by governments and civil society on BOT reforms, emphasizing the need to elevate ambitions and concentrate on impactful outcomes. She highlighted how a decade ago only a few countries were pioneering BO reforms, while we currently see 38 members advancing beneficial ownership commitments through their OGP action plans. She stressed the global momentum gathered by this important reform, including within Summit for Democracy, UNCAC CoSP and the EU’s Anti-Money Laundering Directive 6 (AMLD 6), and the need to ensure that these don’t remain words on paper and translate into concrete country action, focusing on promoting the actual use of BO data that is
interoperable and publically available, by leveraging opportunities like the Open Government Challenge on anti-corruption.

In the opening government intervention, Richard Nephew, Coordinator on Global Anti-Corruption, United States Department of State, affirmed that combating Illicit Financial Flows (IFF) is a priority for US Government, including as part of its OGP commitment on implementing the U.S. Strategy on Countering Corruption, and its current role in the OGP Steering Committee. A key development in the US is the Corporate Transparency Act entry into force this January, mandating disclosure of companies’ BO data to the Financial Crimes Enforcement Network (FinCEN) to close legal loopholes and sending a message that the U.S. is not an IFF haven. FinCEN continues to provide guidance on BOT through its dedicated BO info contact center and engagement with different stakeholders. The US is also involved in the Financial Action Task Force (FATF) as it strives to enhance the quality of BO information, info sharing, and fostering international cooperation. The U.S. recognizes the crucial role OGP can play to advance BOT domestically and globally, allowing reformers in government and civil society to come together and increase accountability. He also suggested that any evidence civil society can provide to make the use case to governments still on the fence about BOT reforms will be useful. Hence, the U.S. plans to engage more in OGP processes and continue its leadership on this topic in international fora, for instance through future iterations of convenings on BO and the legacy of the Summit for Democracy Financial Transparency and Integrity (FTI) cohort.

From the civil society opening intervention, Ingrida Kalinauskienė, Chief Operating Officer at Transparency International Lithuania, reminded all that the hard work towards a BO register is not an end in itself. Thus, it is not enough to have a register, but it is necessary to also have a verification mechanism and to ensure people can use the data in practice. She shared that BOT is not only for anti-money laundering (AML) but rather part of a broader conversation, and how this approach has also been taken by Estonia. Lastly, she highlighted the importance of interconnected BO data and connecting data across borders, and shared the hope that the new EU AMLD 6, will bring more opportunities to countries to work together, as illicit activities do not simply stop at borders.

Thom Townsend, Executive Director of Open Ownership, moderated the roundtable discussion and encouraged participants across sectors and regions to share updates on BOT, achievements thus far and new initiatives for 2024, with the goal of raising visibility across these efforts.

Participants then shared the approach and progress on BOT in their respective countries. Starting with Moldova, Minister of Justice Veronica Mihailov-Moraru placed their advancements on BOT in the context of strengthening transparency and the fight against corruption, and highlighted the
strong links between BOT and national security. She shared that a law requiring BO disclosure for those investing in areas of importance to national security was introduced in 2021. Moldova is currently dedicating efforts to improving and amending legal frameworks as part of its EU accession preparations, for instance by improving its legal framework to combat money laundering and transposing EU BOT requirements to national laws in 2023. Additionally, Moldova is leveraging the tools and data from BOT reform as part of its de-oligarchization plan, adopted in 2023. Domestically, Moldova has focused on integration and interconnectedness of data, with the national bank monitoring and flagging any inconsistencies detected to companies. Internationally, Moldova looks forward to enhancing cooperation with the other countries, including civil society and private sector, to improve their mutual legal assistance for asset recovery.

**Santiago Palomo Vila, Executive Director, National Anti-Corruption Commission of Guatemala**, shared how under the President’s leadership, Guatemala is starting an important journey to BOT in line with international best practices, because “sunlight is the best disinfectant”. He shared that currently it is almost impossible to identify who is behind companies, trusts and NGOs that are misused for corruption, because of lack of legislation and records being outdated and disjointed. While banks do collect BO information, it is not yet leveraged to contribute to broader policy goals. Therefore, Guatemala is pursuing a two-pronged approach: 1) mandating companies that are contracting with government to disclose BO data; 2) strengthening its legislative frameworks around BOT based on international standards and best practices, for instance considering the UK and EU’s AMLD as inspiration, as well as FATF’s Recommendation 24. He took this roundtable as an opportunity to learn from others on key questions such as how to decide which institution should be given the mandate to deliver the BO register, deciding how to manage the level of public access to data, and how to ensure BO data is accurate and up to date, among others. He hopes that BOT progress will create a wealth of data which allow for an analysis of international illicit financing networks to aid enforcement.

Sharing the civil society perspective, **Veronika Borysenko Head of International Relations of Transparency International (TI) Ukraine** recognized the outstanding progress on BOT reforms in Ukraine, with legislation and public registry already in place. She highlighted how the OGP national action plan has been one of the main levers for civil society to push for such successful reform. Looking forward, she was clear that BOT would remain a key priority for civil society, as BO data is key to facilitating Ukraine’s recovery of Russian kleptocrats’ assets, as well as for the country’s reconstruction, including by demonstrating transparency to the international donor community. The focus now is on data verification and enforcing the requirements in place, to understand how data is actually used, and promoting data interoperability across borders. She urged other
countries to increase BOT, commenting that “it’s not enough to be transparent [only] in Ukraine, it should be the same globally to make it most efficient”.

Another country that has made significant strides in BOT reform is Ghana. Mary Awelana Addah, **Executive Director of Ghana Integrity Initiative** reflected that the country has come a long way since the London Summit in 2016, at which Ghana made its commitment to BOT, with the 2010 Companies Act creating the legal basis for BOT advancements and actual use cases where civil society and media used BO data to detect corruption in public procurement. The successful reform implementation benefited from political commitment thus far, as well as support from civil society, EITI and others which has helped to build capacity to investigate and sanction noncompliance, especially in the extractives sector. This is particularly important in enabling Ghana to address the illegal “fronting” of gold and minerals companies. The immediate priorities for the BOT movement in Ghana are to encourage the government post-2024 elections to continue to champion BOT, push for access to the register to be expanded (currently the public can access only upon payment of a fee), and to continue to use OGP to materialize BOT commitments. Although more work is needed, she was clear that progress is delivering: “We want a register that’s open 24-7 for everyone. But what is there [currently] is significant - it’s already being used.” Later she added, “[There are] so many examples where we have used [BO] info to get results, to acquire information to deal with both petty and grand corruption cases, resulting in funds being frozen”. She also highlighted that in order to ensure more impact from BOT, Ghana also needs to tackle the issue of digital access to ensure more of its population will be able to engage with the data.

**Maíra Martini, Head of Policy and Advocacy Interim at Transparency International-Secretariat**, centered the importance of using BO data to deliver anti-corruption impact, and the need to advance beyond discussions about transparency and data availability and focus more on data use to expose corruption and aid law enforcement. She cited the EU’s 6th Anti-Money Laundering Directive as an important step in guaranteeing civil society and journalists’ access to BO data. On a forward looking note, she presented TT’s continuing work to advance BOT and building momentum on data use, such as through its **new project in 9 EU Member States** that aims to better understand how FIUs are using data and identifying data users’ challenges, and advocacy to push for regional BOT standards in Africa.

**Mats Benestad, Policy Director, Norwegian Ministry of Foreign Affairs**, sees OGP as the platform to mobilize both domestic and international efforts, with Open Ownership as the leader in providing technical assistance on BOT. While Norway’s domestic BOT reforms have been delayed due to legal considerations arising following the EU Court of Justice ruling on public access to BO registers in the EU, there was an important development this same week in Norway, as the Parliament adopted the legislation to launch Norway’s BO register. He underscored the importance
of public access to the BO information, explaining that “Norway aims for maximum transparency in ownership, and the finance committee of Parliament unanimously approved to move towards a completely open register”. However he added that work to do this in line with legal requirements will need to continue.

Internationally, Norway recognizes that there is currently more demand for technical assistance to implement BOT reforms than there are resources available to provide it. As an international actor, Norway has long supported anti-corruption reforms relevant to BOT, for instance by sponsoring the resolution on combating grand corruption at the 7th UNCAC CoSP and by initiating the UN FACTI panel which presented recommendations on how to enhance global financial integrity, transparency, and accountability. Norway will continue to promote these reforms as a donor, such as by supporting Open Ownership to provide technical assistance to countries, through Norway’s partnership with UNODC, and by pushing for donors’ support on BOT to be included in the outcome document of the 4th Financing for Development Conference in Spain in 2025.

**Amin Aminudin, Director, Anti-Corruption in Private Sector Directorate / Deputy for Prevention & Monitoring, Corruption Eradication Commission of Indonesia** shared that his country has mandated BO declarations since 2018, and therefore current efforts are focused around ensuring the validity and increasing compliance, which was previously only at 40%. As of last year, to push for more compliance, companies are not able to change key documents such as their company deed if they have not disclosed their BO. This action by the Ministry of Law and Human Rights, which is also developing a BO verification mechanism, is driving up compliance. He also spoke about how the Ministry is ensuring the BO database is shared with other government agencies, including for use in public procurement.

**Laima Letina, Director-General, Register of Enterprises**, said that Latvia’s BOT journey started in 2019 to avoid being greylisted by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL). Through its reform journey, Latvia has benefited from support from partners, including technical support, benchmarking standards and peer exchange. Latvia is now focusing on data verification, cross-referencing data from the private sector, and follows a risk-based approach, for instance for cases submitted from other countries flagged by FATF. On the BO register, Latvia currently maintains a fully public register. Following the [Court of Justice of the European Union ruling in 2022](https://www.aml.gov.lv/en/press-release/2022-06-22), Latvia reviewed this in the context of data protection law and evaluated their public register as fully compatible. Nonetheless, Latvia sees this effort as important for AML and beyond, with an emphasis on

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1 See Open Ownership’s Statement on the ruling [here](https://www.openownership.org/AML_and_Beyond/).
strengthening the economy, cultivating a trustworthy business environment, and enforcing sanctions. Particularly after Russia’s aggression against Ukraine, BOT has proven important to enable Latvia to swiftly implement sanctions. Thanks to the BO register, “we were able in almost seconds to publish a list of companies owned by sanctioned persons”. Finally, with the new EU AMLD 6, Latvia intends to keep up with the discussions and BOT advocacy at the international level to always find ways for improvement.

**Yeprem Karapetyan, Deputy Head, Anti-corruption Policy and Monitoring Department, Ministry of Justice** recounted Armenia’s BOT journey, which began in 2016 with the country implementing an extractives sector BO register to meet its Extractive Industries Transparency Initiative (EITI) requirements, and has been at the forefront of reforms since then. Armenia joined the international Beneficial Ownership Leadership Group in 2019, and also integrated BO commitments across its OGP action plans. **Starting from BO requirements for extractive industries, Armenia has expanded the scope to requiring all legal entities’ disclosure since 2023.** Armenia has since dedicated efforts to enforcement and initiated 429 administrative proceedings for non-compliance in 2023. It is also **digitizing more administrative processes, which will help the register implement a risk-based approach to enforcement.**

**Nigeria** is another country that has made significant strides in BOT implementation, and **Terver Ayua-Jor, Special Assistant to the Registrar General, Corporate Affairs Commission**, also expressed his appreciation towards OGP and Open Ownership for their support. He shared how Nigeria had operationalised its new BO register by requiring companies to disclose their **BO within their annual return filing requirements.** To ensure compliance, he explained that non-compliant companies will be considered as dormant and thus denied the privileges of an active company. Moving forward, Nigeria intends to **sustain multi-stakeholder collaboration on use of the BO data, as well as improving its digital submission system to facilitate compliance.**

**Sheila Masinde, Executive Director of TI-Kenya** provided the context that Kenya was previously greylisted by FATF, with insufficient collection of BO data cited as a key issue. Thus, the government has prioritized BOT reforms and has been advancing these since commitments Kenya made at the International Anti-Corruption Summit held in London in 2016, including by **leveraging its OGP NAP.** Most recently, this has included new legislation requiring BO information of trusts to be filed with the Business Registration Service. Nonetheless, the compliance level remains low at approximately 50%, and the data is only provided to selected agencies, not even all public agencies like the tax authority. From TI-Kenya’s experience, this is too low and will hinder practical use of BO data for investigations. Therefore, TI recommends that the BO register be made **interoperable with other government datasets, to facilitate more effective use, enable verification of the BO data**
and cross-referencing with public procurement data, as 90% of corruption cases are tied to public procurement and conflict of interest.

Mauricio Alarcón, Executive Director of Fundación Ciudadanía y Desarrollo Ecuador observed that OGP has been a key space for civil society to join the BOT discussion, including as part of the country’s OGP commitment focused on co-creating a roadmap based on international standards to establish the channels for private sector BO reporting. Nonetheless, the journey has not been easy due to political instability and the growing narrative of security over transparency, particularly with the wave of insecurity and violence in Latin America. This is a major setback to the progress hard fought for by several stakeholders – CSOs, media, and citizens. He highlighted the important role that international actors such as the US Government can play in encouraging better international cooperation on BOT, and urged countries throughout Latin America to keep supporting open government processes despite the challenges of political instability and insecurity seen in some countries in the region, and to see civil society as a partner in doing so.

Rueben Lifuka, Chair of the IACC Council and Zambia Country Lead reported that his country has been working on BOT reforms and legal reforms since 2017, when BO requirement was integrated into the Companies Act requirements. To date, the Lands and Deeds Registry Act, the public procurement regulations as well as the financial intelligence act all include BO requirements. Nonetheless, there remains insufficient institutional capacity to maintain a BO register, to have accurate information and compliance after the 2017 legal amendment. This is a lesson learned for retrofitting BO reforms into existing laws without building the necessary institutional capacity building or awareness. In Zambia’s case this has resulted in low compliance with BO requirements - currently at 33% - which the Patents and Company Registration Agency (PACRA) is now addressing, including by working with Open Ownership. In addition to this gap, the next frontiers include BO in mining and political party financing (currently there is no legislation on political financing) to help detect corruption and state capture in these high risk areas.

Jeanette Klangefeldt, Policy and Quality Management Officer, Anti-Corruption at the Directorate General for International Partnerships of the European Commission noted that the EU has put in place a mechanism to harmonize the BO approach within AMLD 6 which will enter into force in 2027, to establish common rules for those with legitimate interest to access information, and to facilitate the interconnection of registers. Technological collaboration across Member States is central, and registers need to be connected. Beyond the EU, she highlights the work of the EU Global Facility on AML/CFT which is supporting countries to implement BOT reforms.

Ivana Rossi, Senior Financial Sector Expert at the International Monetary Fund (IMF) recounted that they initially approached BOT as part of AML safety strategy, but has since recognized the
importance of BOT to the IMF’s broader cross-cutting governance package: “My message is that beneficial ownership is very core to lots of the work we do in AML, tax”, explaining that this is due to the economic impact that BO has on countries. The IMF now includes BOT as part of its conditionality for certain lending, as well as the annual health checks it conducts on countries. IMF recently published a handbook on beneficial ownership, and is currently working on a sectoral approach to BOT, building on its experience requiring BO data in procurement with emergency funding during the pandemic.

Till Hartmann, Governance Specialist at the World Bank (WB) spoke about the new Global Program on Anticorruption for Development, which has a specific workstream on BOT, with two elements. The first stream advances research and evidence on influences of legal reforms, and the second stream focuses on implementation support. WB also announced a new research partnership with Open Ownership, supported by the UK FCDO, which seeks to understand the use and impact of BO registers and will produce publications reviewing comparative technical implementation experience with particular country case studies, for example through the Bank’s lending operations in Malawi and Nigeria. WB also recently published a briefing note in collaboration in GIZ, based on its implementation experience to offer guidance in setting up BO registers in the UK, North Macedonia, Kenya, and Nigeria.

Johannes Tonn, Senior Advisor for Anti-Corruption at the Center for International Private Enterprise (CIPE) called for more research and deepened engagement with the private sector in the reform process. More resources need to be dedicated to research to help identify the benefits of BO reform for the private sector, for instance to identify sectors where BO data can significantly help derisk their operations. Government and civil society also need to welcome the private sector as part of their coalitions both before and during the reform, rather than merely considering them as data providers.
Resources

A shorter version of this rapporteur report, grouped by key messages, is available online.

List of links and resources from participants:

Government of Indonesia

- Presentation

Government of Nigeria

- Notes on important milestones of BO implementation

Brookings Institution

- Brookings Anti-Corruption, Democracy, and Security (ACDS) project webpage, which houses ACDS resources on relevant anti-corruption topics such as beneficial ownership, and will also feature forthcoming country reports on BOT jointly published with OGP in the coming weeks.

- A commentary by Brookings and OGP on “A better anti-corruption machine: Breakthroughs needed to fight illicit finance and protect democracy”.

- Together with the Open Government Partnership and the U.S. government, Brookings ACDS served as a co-lead of the Financial Transparency and Integrity (FTI) Democracy Cohort, which produced a guidance document on “Considerations for Governments Working Alongside Civil Society on the Implementation of Beneficial Ownership Transparency.” That document, as well as other FTI Cohort resources, are available here.

Center for International Private Enterprise

- Beneficial Ownership Transparency: Exploring the Private Sector Use Case (2023)

World Bank

- Publication: Beneficial Ownership Registers: Implementation Insights and Emerging Frontiers (2024)

- Global Program on Anticorruption for Development