

# Using interoperable beneficial ownership data to achieve global anti-corruption impact

## Submission by Open Ownership to the 10<sup>th</sup> Session of the UNCAC Conference of States Parties

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[Seventy percent](#) of grand corruption cases from recent decades involve anonymously owned companies, and the majority have featured transnational structures. Time and again illicit financial flows and stolen assets – the proceeds of corruption and other crimes – are hidden and moved around the world using anonymously owned corporate vehicles.<sup>1</sup> This challenge requires a transnational solution where a range of stakeholders can access standardised data from across the world that can be easily linked to [better prevent, detect, and combat systemic corruption](#).

Beneficial ownership transparency (BOT) brings to light who owns, controls, or benefits from companies or other corporate vehicles ([beneficial owners](#)). The value of beneficial ownership information (BOI) for anti-corruption and anti-money laundering has been widely recognised by international standard-setting bodies.<sup>2</sup> It is used by governments, civil society, media, and private sector actors to investigate corruption and “follow the money”. To do so, they need to use BOI from different jurisdictions and connect it with other types of domestic and international datasets to understand ownership structures and identify who ultimately benefits from the misuse of corporate vehicles.

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<sup>1</sup> The term corporate vehicles refers to entities and arrangements through which commercial activities are conducted and assets are held, including different types of corporations, limited liability companies (LLCs), partnerships, associations, foundations, trusts, and national variations of these. Open Ownership, [The coverage of corporate vehicles in beneficial ownership disclosure regimes](#), 2022

<sup>2</sup> [Enhancing the use of beneficial ownership information to facilitate the identification, recovery and return of proceeds of crime](#) (CoSP9 resolution 9/7, UN, 2021); [Resolution adopted by the General Assembly on 2 June 2021](#) (United Nations General Assembly, 2021); [FATF Recommendations 24 and 25](#) (FATF, updated 2023), page 22.

## Structured and interoperable data matters

BOI is most effectively used when it is collected, stored, and published in a highly organised and [structured](#) way. Whilst governments can produce non-digital BOI, technologies help boost the quality and use of data.

When structured BOI is collected and held in a digital register, governments can [set up systems](#) that limit errors or false declarations and improve data quality and reliability. They can create platforms where anti-corruption actors can easily search and use the data. Governments can get machines to read structured BOI and help detect signs of corruption.

Governments can also make structured BOI [interoperable](#), making it easy to exchange and connect with other data sources. In other words, with more structured and interoperable BOI, anti-corruption actors can maximise the data's potential, [reduce costs](#) of collecting and using BOI, and [achieve greater policy impacts](#). These impacts range from exposing transnational networks of people and corporate vehicles involved in crime and corruption, to mitigating national security risks while promoting transparency and good governance.

**[The goal is clear](#): Connect BO data transnationally and with other relevant datasets so it can be used by a broad range of anti-corruption actors within and outside government to better prevent, detect, and combat corruption.**

### Open Ownership calls upon States parties to use CoSP10 to:

1. Coordinate international policy and technology efforts to advance the use of digital and innovative technologies to facilitate the exchange of BOI transnationally; and
2. Promote the adoption of international standards to facilitate the exchange of BOI between stakeholders.

Many examples show [how BOI is used to prevent and detect corruption](#) and illustrate the potential of [using structured and interoperable BO data](#) to deliver impact:

- The [OpenScreening](#) project combines the [OpenSanctions](#) database of international sanctions lists with BO and other company ownership data to allow users to [uncover hidden relationships](#) between companies and sanctioned persons.
- In France, layered access to BOI is publicly [available](#). Civil society has been using it to support the government with risk analysis. Linking BO data with open data from the real estate register, [analysis](#) showed that over 70% of parcels of land owned by corporations are by anonymously owned companies. This represents unknown ownership for 7.33 million parcels.
- Ukraine's online procurement platform, [ProZorro](#), makes information about bidders and awardees, including BOI, accessible online in a structured, machine-readable format.

Ukraine also collects BOI in a central, publicly accessible register. The combination of these datasets has led to [savings of at least 10%](#) of Ukraine’s procurement budget by fostering competition and decreasing corruption.

The [Financial Action Task Force \(FATF\) Standards](#) require countries to ensure authorities have timely access to BOI during public procurement and to keep BOI “in a readily accessible manner in order to facilitate rapid, constructive and effective international co-operation”. [Resolution 9/7](#) calls for the widest measures of international cooperation as well as the use of technologies to facilitate exchange of BOI between authorities. Many countries are calling for interoperability when [recognising](#) access to highly interconnected domestic BO registers as best practice, and raising the lack of direct mechanisms for exchange of BOI as a challenge.

Yet, to date most BO registers do not contain interoperable data, and limited awareness of why and how to make connected, interoperable BOI a reality is stymying countries’ ambitions in driving this agenda and slowing global progress. Many countries surveyed by UN bodies have reported persisting [barriers to effective international cooperation and use of BOI to investigate corruption and trace assets](#).

## **Existing guidance can support States parties in producing interoperable beneficial ownership data**

Open Ownership is advancing efforts to drive high-quality BO data that is available digitally and can be more easily combined, analysed, and used. This is underpinned by our [Principles for effective beneficial ownership disclosure](#), which aim to accompany governments in developing robust laws and policies to frame the technical implementation of BOT reforms.

Open Ownership has been at the forefront of [technical and policy developments to create standardised, structured, and interoperable data](#), and has developed the [Beneficial Ownership Data Standard](#) (BODS), which is the leading global standard for BOI. BODS provides a technology solution for sharing BO data so that it is interoperable with other datasets.

[Armenia](#) and [Nigeria](#), for example, are publishing structured BO data in line with BODS for use across their government agencies and beyond. [Canada](#) has announced its plans to adopt BODS within its newly legislated federal BO register and facilitate interoperability with sub-national registers. In 2021, BODS was also approved for the collection, exchange, use, and distribution of BOI [by the government of the United Kingdom](#).

Leading technology companies are investing in data standards to enhance interoperability and data governance. Microsoft is [partnering with Open Ownership and other leading actors within its Advanced Cloud Transparency Services initiative to scale the use of BODS](#) and increase governments’ ability to use BO data from multiple countries.

## Advancing interoperable beneficial ownership data at CoSP10

The widespread adoption of data standards for BOI is still in its infancy. **CoSP10 is a key moment to build on existing technology solutions and policy principles and standards** to scale the use of BODS as a proven tool for increasing the use of BOI and delivering anti-corruption impacts.

As a global leader in developing and operationalising interoperable BO data, Open Ownership has helped over 40 countries to implement or improve their BO registries and data. From this experience, it has become clear that interoperable data, including BOI, should be a pillar of effective international anti-corruption efforts.

### **Open Ownership's recommendations to States parties at CoSP10 to advance BOT:**

CoSP10 provides an invaluable opportunity to guide State parties in advancing implementation of BOT. By adopting an updated resolution at CoSP10, State parties can build on [resolution 9/7](#) and include more robust provisions to ensure that BOI can be effectively used by all relevant actors that can help create anti-corruption impacts. An updated resolution should reflect the following:

- Ensure adequate, accurate, and up-to-date BOI, including historical records, can be efficiently accessed and effectively used by all relevant actors that can help prevent and detect corruption.<sup>3</sup>
- Make information in BO registers publicly and freely accessible and searchable online. Such access should be defined in accordance with domestic privacy and data protection legislation but without undue obstacles or barriers.
- Use digital and innovative technologies and adopt existing international data standards to collect BOI that is centralised, verified, [structured and interoperable](#) to facilitate exchange with other domestic and foreign data sets, such as those covering sanctions, politically exposed persons and public procurement.
- Ensure that BOT reforms build on existing international standards, policy guidance and good practices to advance effective implementation and harmonisation, and enhance international efforts to combat corruption.

**For more information, see Open Ownership's [full recommendations](#).**

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<sup>3</sup> Examples of relevant actors include, among others: domestic and foreign law enforcement and other competent authorities, financial intelligence units, tax administrations, anti-corruption agencies, procurement agencies, asset registrars, authorities responsible for the oversight and management of natural resources, electoral supervision bodies, regulatory and competition authorities, state-owned enterprises, civil society organisations, the media, academics, private sector providers of analytical services for anti-corruption.