

Minutes of Meeting:

Beneficial Ownership Leadership Group Technical Event

Wednesday, October 6 2021 – Time: 19.30-21.30 WIB

Background

The Leadership Group seeks to mobilise a coalition of countries across different regions working towards beneficial ownership disclosures that are accurate, complete, well-structured and machine-readable. Their shared aim is to provide information that is available to and used by government, business, and citizens to build trust and achieve reductions in known risks such as corruption and tax evasion. This discussion was anchored on the efforts by members of the Beneficial Ownership Leadership Group and members of the Leadership Group as well as other countries sharing experiences. The meeting focused on Latvian and Nigerian experiences of implementing Beneficial Ownership Registers, as examples of recent advances made on implementation, and will be useful for those looking at different approaches to collecting, verifying and publishing beneficial ownership data. This discussion took form in a closed virtual workshop, chaired by Open Ownership and held under Chatham House Rules.

Purpose

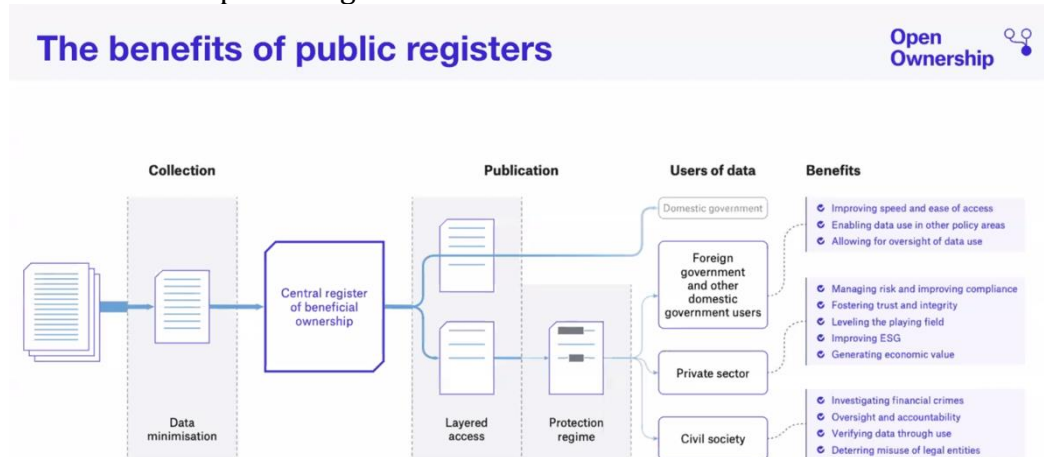
This meeting follows on from recent global discussions such as G7 and G20 that have recognized the importance of beneficial ownership transparency to advance the anti-corruption agenda, and link to ongoing discussions of the Financial Action Task Force. The meeting will also help make stronger links to upcoming global events such as the US-hosted Summit for Democracy and the OGP Global Summit where beneficial ownership will likely feature prominently - including showcasing where countries have been advancing on this through your OGP action plans.

Discussion

1. **Stephen Abbott Pugh** and **Kadie Armstrong**, who represented Open Ownership as the chair of this meeting, opened the discussion by delivering an opening speech as follows:
 - As the Leadership Group is formed in collaboration with Open Government Partnership, we aim to bring in officials and civil society from many countries especially the ones who are keen to push forward beneficial ownership reform in their countries.
 - Beneficial Ownership Data Standard (BODS) itself is an open standard for collecting and publishing high quality beneficial ownership data, which has two elements: data schema that describes how and what data should be shared, and technical guidance that provides support for publishers and users of the data.
 - BODS can help implementers in many ways: a) it solves common problems in the representation of BO data, b) it makes the creation and integration process and analytical tool for BO data easier, c) it combines BO declarations that are captured in different jurisdictions, and d) it avoids vendor lock-in, making software purchases less risky.
 - BODS can be developed by learning from and collaborating with governments implementing the BODS to be responsive to emerging policy needs. Moreover, the development of BODS informed by emerging standards and best practice

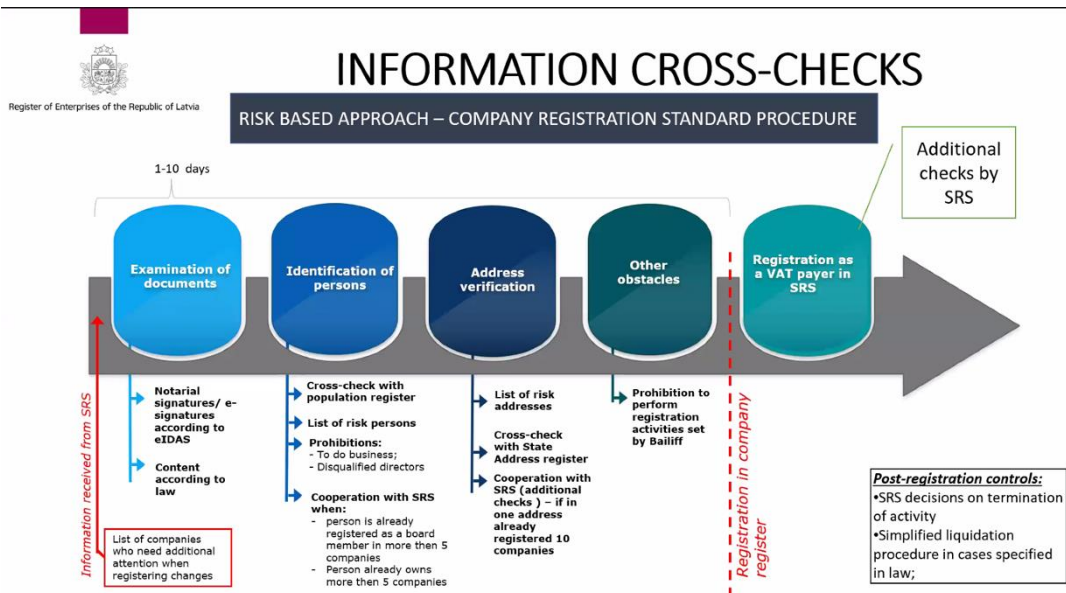
around BO transparency. Lastly, the alignment of BODS with Beneficial Ownership Transparency Disclosure Principles.

- The benefits of public registers are as follows:

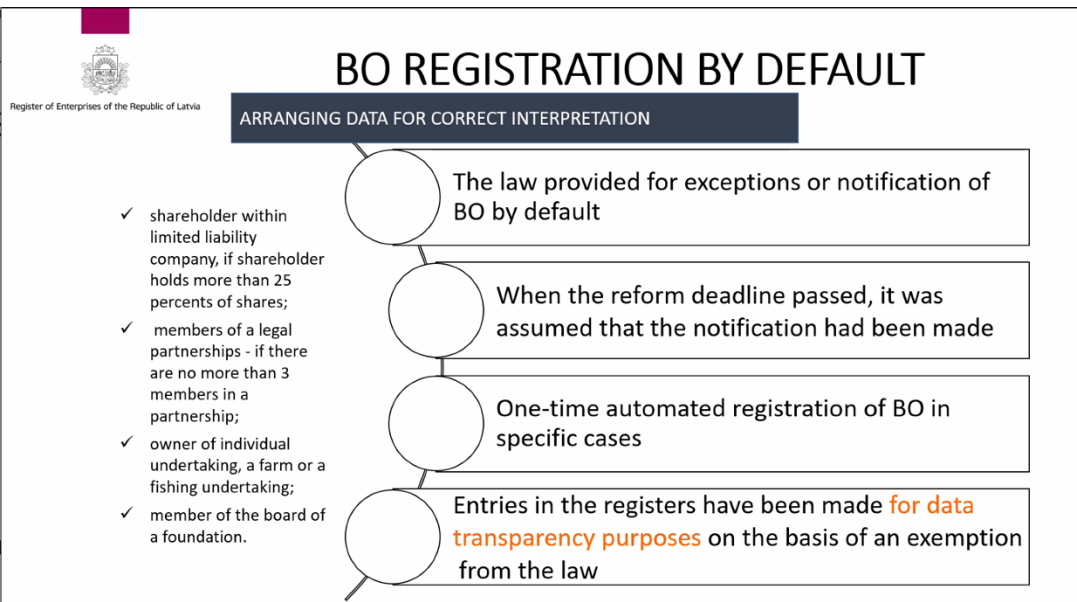


2. **Guna Paidere**, who represented the Register of Enterprises of the Republic of Latvia, delivered the main topic of discussion today as follows:

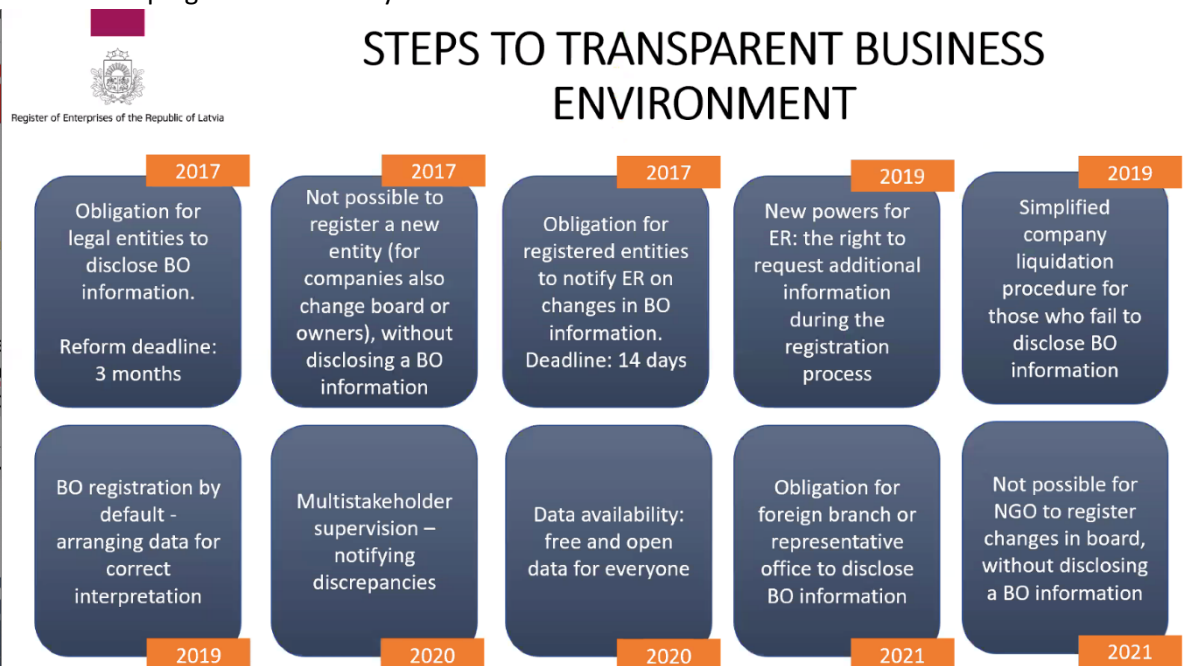
- The Universal Beneficial Owner (UBO) information is one part of national legal entity registration system which covers broad ranges such as commercial registers, political parties, mass media, public/private partnership agreements, religious organizations, and many more.
- The main function of Enterprise Registry (ER) is the maintenance of different public registration information on all legal entities. Their mission is to collect information in the public interest in order to ensure a safe and transparent business environment.
- The situation of BO data in Latvia before 2017 was the obligation in law for commercial companies to submit BO information to ER only accounted for 0,2 percent. The ER only collected notifications on BO, but there were no checks in place. Moreover, the BO information was not digitalized and the access to BO information was only available to law enforcement authorities.
- In order to improve the situation, Latvia took these steps towards a more transparent business environment: a) obligation for legal entities to disclose BO information with 3 months deadline, b) no registration for new entities or changes in boards and owners without disclosing BO data, c) obligation for registered entities to notify ER on changes in BO information with 14 days deadline, and d) ER has the right to request additional information during the registration process.
- The flow of information cross-checks in ER is as follows:



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- It should be noted that Latvia implements this process in a very strict manner where companies or enterprises only have two choices, disclose their BO data or close their businesses.
- In cases where BO information is not disclosed, a simplified liquidation procedure takes place. There are five steps and the whole procedure takes up to six months. First, companies that are in deficiencies, meaning no board, not in legal address, and more importantly no BO information. Second, a brief warning with 1-3 months to react. Third, termination of action which means board removed from office. Fourth, announcement of any interested party who may apply as liquidator. Fifth, exclusion from register.
- The journey of BO transparency in Latvia has gone through a long overhaul. In 2017, there were 5000 high-risk LLC identified yet only 300 of them has disclosed BO information. The obligation to disclose the BO information took force in December 2017 which stipulated new legal entities are no longer registered without disclosing their BO information. Since then, over 22,000 inactive companies have been excluded from the registers. By 2019, 96% companies have disclosed their BO information, the same period when simplified liquidation procedures took force. As of 2020, almost all high-risk LLC without BO information have been excluded from the register.
- BO information registration by default is as follows:




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- Latvia's BO information availability is accessible on the webpage with API services.
- To summarize, here are the steps to transparent business environment that Latvia has been developing over the last 4 years:



3. **Alhaji Garba Abubakar**, who represented the Government of Nigeria, delivered the implementation of BO transparency in Nigeria as follows:
- The concept of BO in Nigeria started gaining prominence over the last decade in the drive to implement FATF recommendations on Money Laundering and Financing of Terrorism.
 - Nigeria's membership in EITI and OGP was also the turning point in their drive to implement BO disclosure
 - The legal framework of BO in Nigeria as established in 2020. The Act has widened the concept of BO to cover persons with significant control. It was modeled from the concept from the UK which deals with the wider framework of control of corporate entities as opposed to the narrow definition of BO.
 - Moreover, the Act obligates Person With Significant Control to notify the Companies or Limited Liability Partnership within seven days of attaining such control. In turn, Companies or Limited Liability Partnership are obligated to notify the Commission of such persons within 30 days.
 - Companies or Limited Liability Partnership are further obligated to enter information received from such persons against their respective particulars in their register of members while the Commission is required to maintain a Registry where such information received from Companies or Limited Liability Partnership.
 - The Act in Section 868 defines Person With Significant Control as any person directly or indirectly holding at least 5 percent of the shares or interest in a Companies or Limited Liability Partnership.
 - The form for Person With Significant Control is as follows:

9. Annexure: Form for Persons with Significant Control

Pursuant to Sections of 119 the Companies 2020 Act, 2020 **CAC-PSC01** Notice of Persons with Significant Control



What this form is for
You may use this form to give notice of person with significant control (PSC) to the CAC.

What this form is NOT
This form is not to be used to give notice of PSC to the CAC.

For further information, please refer to our guidance at
www.cac.gov.ng

A. PSC Notification - Natural Person
One copy should be filled out for each natural person who is a person of significant control.

Details of the person with significant control

Submission Date	day-month-year	The date on which this information was submitted.
Title		Input the month as abbreviation (e.g., 10-Jan-2020)
First Name		This should be the current legal name of the PSC.
Sur Name		The family names of the PSC.
Other Name(s)		The given names of the PSC used to distinguish the individual within the family.
Former name(s)		The patronymic name of the PSC (where applicable).
City		
State		
Nationality/nationalities		The nationalities held by the PSC.
Country of residence		
Identification number		



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The screenshot displays a video conference interface. The main area shows a presentation slide with a cityscape background. The slide content is as follows:

Open Ownership

The Beneficial Ownership Data Standard

Stephen Abbott Pugh
Data and technology manager,
Open Ownership

Kadie Armstrong
Lead technical consultant,
Open Data Services Cooperative

On the right side, there is a vertical stack of five participant thumbnails, each with a name and a small icon:

- Thom Townsend
- Stephen Abbott Pugh (Ope...)
- Karlis Freibergs
- Elina Laganovska
- Guna Paidere