

23 November 2023

English only

Tenth session

Atlanta, United States of America,
11–15 December 2023

**Statement submitted by Open Ownership, a
non-governmental organization not in consultative status
with the Economic and Social Council***

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Using beneficial ownership data to achieve global anti-corruption impact

A briefing on the frontier issue of *interoperable* beneficial ownership data

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

Global progress on beneficial ownership transparency

Beneficial ownership transparency (BOT) brings to light who owns, controls, and benefits from companies and other corporate vehicles (beneficial owners). Beneficial ownership (BO) information is used to investigate corruption and “follow the money”. This data is helping to reduce corruption risks and deliver real-life impacts to prevent and combat corruption, especially when it is [structured](#) and can be connected with other BO information and datasets from across the world, and easily exchanged – in other words, when BO data is [interoperable](#).

Recognising the power of BOT, [over 60 countries](#) now have live BO registers, and at least 20 more countries are working towards launching one. The world is set to generate more BO data than ever before. This presents exciting opportunities as well as practical challenges, namely: How to ensure BO data is used to its fullest potential to prevent and combat transnational corruption?

The importance of the 10th Conference of the States Parties to the United Nations Convention Against Corruption

Limited awareness of the full potential of connected, interoperable BO data is holding back some countries’ ambitions in driving this agenda. And the current lack of structured, interoperable data is

slowing progress. States parties have already recognised the importance of technologies to facilitate the exchange of structured BO data between registries, as well as the interoperability of the data with other datasets to address corruption in [resolution 9/7](#). CoSP10 is a key moment to build on this policy foundation, along with related policy standards provided by the [Financial Action Task Force](#) and existing technology solutions.

The goal is clear: Connect BO data transnationally and with other relevant datasets, so it is used by a range of anti-corruption actors 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 BO information transnationally; and
2. Promote the adoption of international standards to facilitate the exchange of BO information between stakeholders.

Why interoperable data matters

With more interoperable BO data, anti-corruption actors can [reduce costs](#) and achieve [greater policy impacts](#). These impacts range from exposing transnational networks of IFFs, to preventing and combating crime and corruption, mitigating national security risks, and promoting transparency and good governance.

A growing body of evidence shows how interoperable BO data is delivering impacts around the world:

- In France, BO data is collected for companies and real estate. By linking together BO data with real estate data, [analysis](#) showed that ownership records for 7.33 million “parcels” of land, nearly 10% of those on the register, include anonymously owned companies.
- The [Bluetail](#) anti-corruption tool combines BO and procurement data to identify and flag corruption risks. Open Ownership and Open Contracting Partnership have prototyped this tool in Kenya, where it is driving efforts to use BO data to strengthen public procurement.
- In Malaysia, web service application [Telus](#) imports and joins up open data sources for politically exposed persons (PEPs), beneficial owners, and [procurement](#) contracts to help expose conflicts of interest.
- Ukraine’s online procurement platform, [ProZorro](#), makes information about bidders and awardees, including BO information, accessible online in a structured, machine-readable format. Ukraine also collects BO information 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 [Beneficial Ownership Data Standard \(BODS\) risk-detection project](#) shows how combining BO, public procurement, and sanctions datasets is exposing a range of risk and compliance issues, using data from the United Kingdom (UK).
- The [OpenScreening](#) project combines the global [OpenSanctions](#) database of international sanctions lists with [BO and other company ownership data](#) to allow users to help uncover hidden relationships between companies and sanctioned persons.

Data standards: The solution to interoperability

Several data standards for different types of data are in use globally to facilitate the easy exchange of data between systems. Open Ownership developed the [Beneficial Ownership Data Standard \(BODS\)](#), which is the leading global standard for BO information. 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. BODS has also been approved for the collection, exchange, use, and distribution of BO data in the [UK](#). The Data Standards Authority assessed BODS against its Open Standards Principles, and it is now included on the UK's [list of open standards](#) chosen for use in government technology.

The examples above demonstrate the power of interoperable BO data. Yet most BO registers currently do not contain easily interoperable data, and the widespread adoption of data standards for BO information is still in its infancy.

Driving progress for the future

To address this frontier issue, Open Ownership has been at the forefront of [technical and policy developments to create standardised, structured, and interoperable data](#), and to drive the production of high quality BO data that is available digitally and can be more easily combined, analysed, and used.

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.

With several countries already working to implement BODS, and the international [Financial Action Task Force \(FATF\) Standards](#) requiring countries to keep beneficial ownership information “in a readily accessible manner in order to facilitate rapid, constructive and effective international co-operation”. The time is right to scale the use of data standards as a proven tool for increasing the use of BO information to deliver real world anti-corruption impacts.

The evidence is clear. Interoperable data, including BO information, should be a pillar of effective international anti-corruption efforts. As a global leader in developing and operationalising interoperable BO data, Open Ownership has helped over 40 countries to implement BOT reforms and make national BO registers a reality.

Open Ownership welcomes interested participants to contact us at eryn@openownership.org or louise@openownership.org to discuss these issues, or to ask to meet our team at CoSP10 in Atlanta in December 2023.