



Beneficial ownership data verification

**Key concepts, practical steps and the
importance of structured data**

**Stephen Abbott Pugh
Data and Technology Manager**

This is not an ADB material. The views expressed in this document are the views of the author/s and/or their organizations and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy and/or completeness of the material's contents, and accepts no responsibility for any direct or indirect consequence of their use or reliance, whether wholly or partially. Please feel free to contact the authors directly should you have queries.

Open
Ownership



Introducing Open Ownership

What we do



Technical assistance

Working with [implementers](#) of beneficial ownership reforms and changes



Policy guidance and research

[Resources](#) to understand and share best practice globally



Support to use ownership data

Develop [Beneficial Ownership Data Standard](#) and [Open Ownership Register](#)

Work with extractive companies (1/2)



Partnership with EITI on the five-year Opening Extractives programme.

Aim is to transform the availability and use of beneficial ownership data, for effective governance in the extractive sector.

Work with extractive companies (2/2)



Technical support and guidance to major extractives companies. We focus on making the best use of beneficial ownership information.



What is beneficial ownership data verification?

Verification is a combination of checks and processes that aim to ensure that beneficial ownership statements are **accurate and complete at a given point in time**.

Checks can be deployed at different stages in a declaration system. The aim is to **make high quality and reliable data** in order to create confidence in a register, and to **maximise its utility and impact**.

What good verification looks like

A good verification system ensures data is of **high quality**:

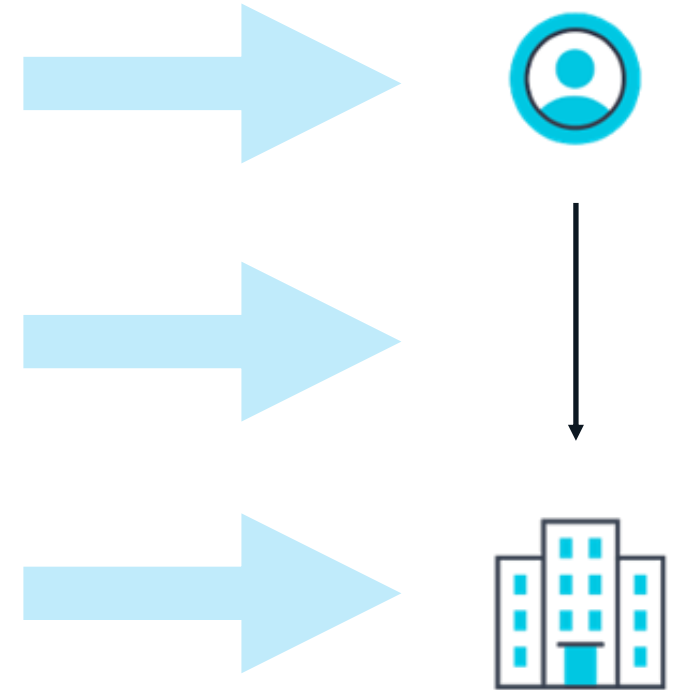
- **Accurate** and free from accidental errors and falsehoods
- **Complete** and free from omissions

A good verification system increases **reliability** by:

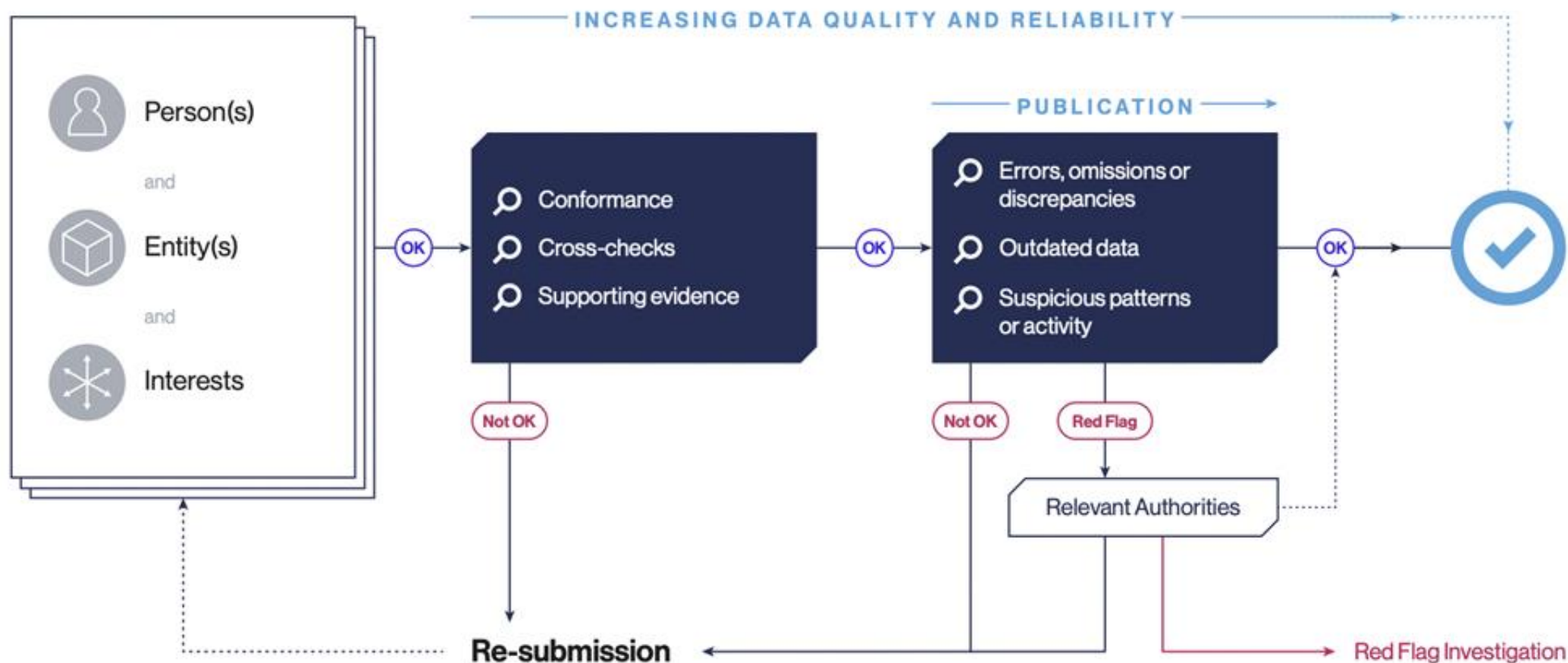
- Providing **clarity about the provenance** of the data and **what checks have been done**
- **Reducing the risks** associated with the data being false
- **Triggering the appropriate alarms** when data is incomplete, false or suspicious

Submission of beneficial ownership information

- Information about the **person(s) involved in an ownership or control** relationship
- Information about the **nature of their ownership or control**
- Information about a **company or other legal entity** they own or control



Beneficial ownership data verification steps





Practical steps for data verification

Identifying natural persons

- Name
- Alternative names
- Nationalities
- Date of birth
- Place of birth
- Identification numbers
- Place of residence
- Tax residencies
- Other addresses
- PEP status
- Details about PEP status
- Unknown person details



Identifying entities

- Entity type (registered, legal, arrangement, anonymous, unknown)
- Reasons for entities being anonymous or unknown
- Name
- Alternative names
- Incorporation details
- Identification numbers
- Foundation date
- Dissolution date
- Addresses



Identifying ownership or control structures

- Subject of an ownership or control relationship
 - Is the ownership or control directly or indirectly held?
 - Interested party
- Details about interests:
 - Type of interest
 - Interest level/percentage share
 - Start date of interest
 - End date of interest



- Sanctions for non-compliance with disclosure requirements, including for non-submission, late submission, incomplete submission or false submission
- Sanctions that cover the person making the declaration, the beneficial owner, registered officers of the company, and the declaring company should be considered
- Both monetary and non-monetary penalties
- Relevant agencies empowered to enforce the sanctions
- Data on non-compliance should be made available



How structured data supports verification

The [Beneficial Ownership Data Standard](#) (BODS) is an open standard for collecting and publishing high quality beneficial ownership data

- The [data schema](#) describes how and what data should be shared. It can inform the design of data collection and management systems
- The [technical guidance](#) provides support for publishers and users of beneficial ownership data

Visit standard.openownership.org (in English/Spanish/Russian)

Open Ownership

Examining Indonesian beneficial ownership data

```
output.json -- indonesia-bods-mapping

sample-data.json x
1 {
2   "created_at": "2019-09-20 18:57:37",
3   "message": "Berhasil",
4   "data": {
5     "nama_korporasi": "BUSINDO AYANA",
6     "jenis_korporasi": "PERSEROAN TERBATAS",
7     "kedudukan": "KABUPATEN BADUNG",
8     "ak_terakhir": "AHU-00436.48.20.2014",
9     "data_transaksi": [
10      {
11        "nama_korporasi": "BUSINDO AYANA",
12        "jenis_transaksi": "PELAPORAN",
13        "jenis_pelapor": "KORPORASI",
14        "nama_pelapor": "NOTARIS-SABHQ S.H., S.E.",
15        "nomor_identitas_pelapor": "8629841282",
16        "nama_pic": null,
17        "nomor_identitas_pic": null,
18        "sumber_laporan": "APLIKASI BO",
19        "data_bo": [
20          {
21            "nama_lengkap": "Budi-Setiawan Raharja",
22            "jenis_identitas": "NIK",
23            "nomor_identitas": "79878798798792739",
24            "tempat_lahir": "Jakarta",
25            "tanggal_lahir": "1978-01-12",
26            "alamat": "JALAN",
27            "kecamatan": "KABUPATEN BADUNG",
28            "provinsi": "KALIMANTAN SELATAN",
29            "kabupaten": "KABUPATEN BARITO KUALA",
30            "kecamatan": "BARUMBAL",
31            "kelurahan": "PONDOLAHAN",
32            "rt": "002",
33            "rw": "001",
34            "negara": null,
35            "power": "738297498237948",
36            "hubungan_bo": "KEJARA"
37          }
38        ],
39        "transaksi_ko": 1
40      }
41    ],
42    "nama_korporasi": "BUSINDO AYANA",
43    "jenis_transaksi": "PELAPORAN",
44    "jenis_pelapor": "PIC",
45    "nama_pelapor": "Ibrahim",
46    "nomor_identitas_pelapor": "8629841282",
47    "nama_pic": "asdasda",
48    "nomor_identitas_pic": "112311231231231231"
49  }
50 }
```

```
output.json x
1 {
2   "statementID": "openownership-indonesia-415871671",
3   "statementType": "entityStatement",
4   "isComponent": false,
5   "entityType": "registeredEntity",
6   "name": "BUSINDO AYANA",
7   "incorporatedInJurisdiction": {
8     "name": "Indonesia",
9     "code": "ID"
10  },
11  "identifiers": [
12    {
13      "scheme": "ID-KORP",
14      "schemeName": "Ministry of Justice & Human Rights",
15      "id": "BUSINDO AYANA"
16    }
17  ],
18  "addresses": [
19    {
20      "type": "registered",
21      "address": "KABUPATEN BADUNG",
22      "country": "ID"
23    }
24  ],
25  "source": {
26    "type": "ThirdParty",
27    "retrievedAt": "2020-12-02T14:37:48.463Z",
28    "url": "https://bo.wju.go.id/service/getReportBo",
29    "assertedBy": [
30      {
31        "name": "NOTARIS-SABHQ S.H., S.E."
32      }
33    ]
34  },
35  "publicationDetails": {
36    "publicationDate": "2020-12-02",
37    "bodyVersion": "0.2",
38    "publisher": {
39      "name": "Indonesia Ministry for Law and Human Rights"
40    }
41  }
42 }
```

Open Ownership's [2020 analysis](#) of the existing technical systems demonstrated how Indonesia's Ministry of Law and Human Rights could map their beneficial ownership data to BODS

How BODS allows authorities to verify data

source

Source

The source of the information that links the entity and the interested party, or that supports a null statement.

Source

The source object is used to explain where information in a statement originated from, and to link to supporting information.

* Required field

type

array enum `string` `selfDeclaration` `officialRegister` `thirdParty` `primaryResearch` `verified`

What type of source is this? Multiple tags can be combined. Values should come from the source type codelist.

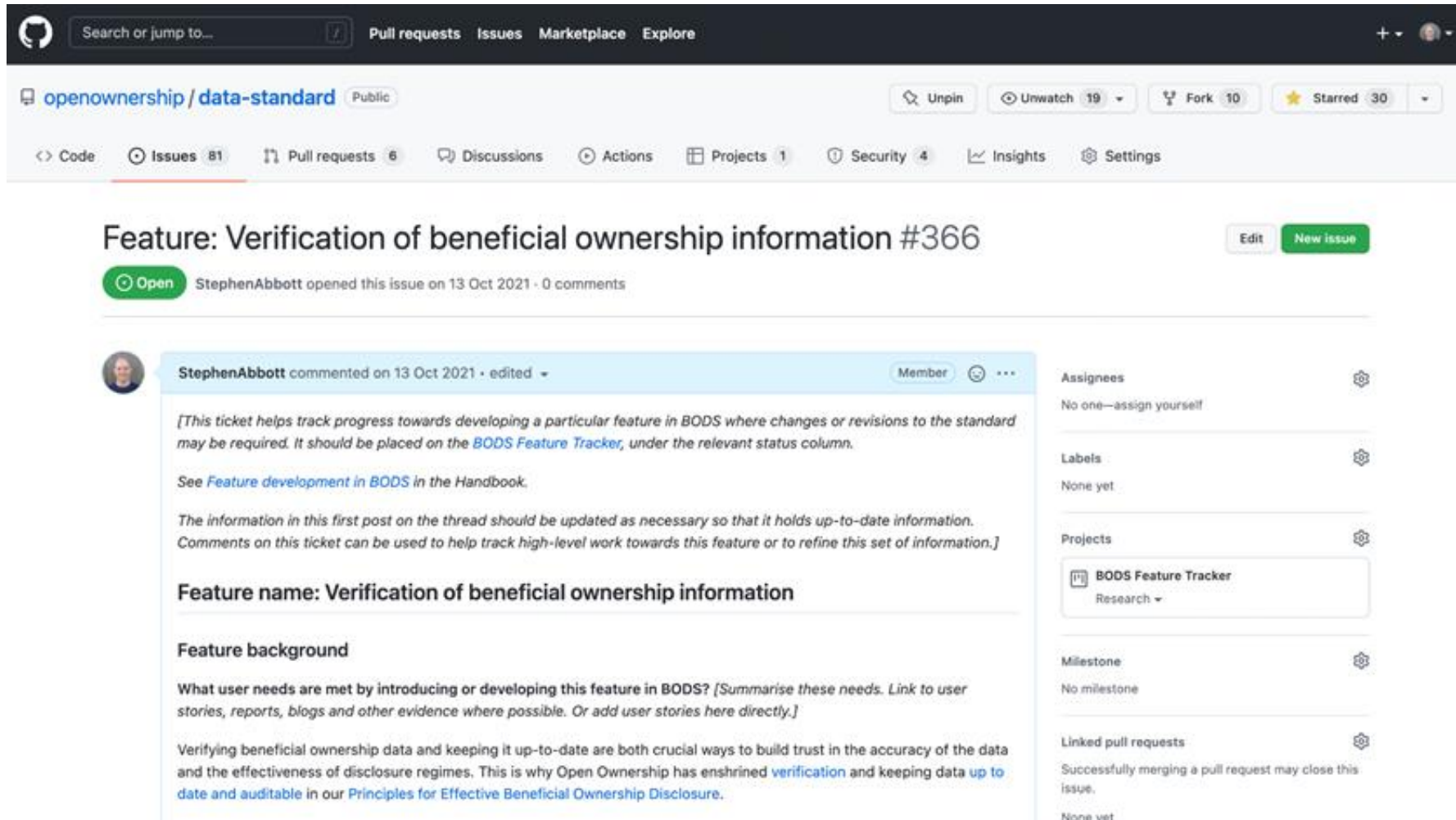
description

`string`

Where required, additional free-text information about the source of this statement can be provided here.

url

How authorities could verify data in future



The screenshot shows a GitHub issue page for the repository 'openownership/data-standard'. The issue title is 'Feature: Verification of beneficial ownership information #366'. It is an 'Open' issue, created by StephenAbbott on 13 Oct 2021, with 0 comments. The issue is categorized as a 'Feature' and is linked to the 'BODS Feature Tracker' project, specifically the 'Research' milestone. The issue description includes a note about tracking progress towards developing a particular feature in BODS, a link to 'Feature development in BODS in the Handbook', and a request to update information as necessary. The feature name is 'Verification of beneficial ownership information'. The feature background section explains that verifying beneficial ownership data and keeping it up-to-date are crucial for building trust in the accuracy of the data and the effectiveness of disclosure regimes. It mentions that Open Ownership has enshrined 'verification' and keeping data 'up to date and auditable' in their 'Principles for Effective Beneficial Ownership Disclosure'.

Search or jump to... Pull requests Issues Marketplace Explore

openownership / data-standard Public

Unpin Unwatch 19 Fork 10 Starred 30

<> Code Issues 81 Pull requests 6 Discussions Actions Projects 1 Security 4 Insights Settings

Feature: Verification of beneficial ownership information #366

Edit New issue

Open StephenAbbott opened this issue on 13 Oct 2021 · 0 comments

StephenAbbott commented on 13 Oct 2021 · edited Member

[This ticket helps track progress towards developing a particular feature in BODS where changes or revisions to the standard may be required. It should be placed on the [BODS Feature Tracker](#), under the relevant status column.

See [Feature development in BODS in the Handbook](#).

The information in this first post on the thread should be updated as necessary so that it holds up-to-date information. Comments on this ticket can be used to help track high-level work towards this feature or to refine this set of information.]

Feature name: Verification of beneficial ownership information

Feature background

What user needs are met by introducing or developing this feature in BODS? [Summarise these needs. Link to user stories, reports, blogs and other evidence where possible. Or add user stories here directly.]

Verifying beneficial ownership data and keeping it up-to-date are both crucial ways to build trust in the accuracy of the data and the effectiveness of disclosure regimes. This is why Open Ownership has enshrined [verification](#) and keeping data [up to date and auditable](#) in our [Principles for Effective Beneficial Ownership Disclosure](#).

Assignees
No one—assign yourself

Labels
None yet

Projects
[BODS Feature Tracker](#)
Research

Milestone
No milestone

Linked pull requests
Successfully merging a pull request may close this issue.
None yet

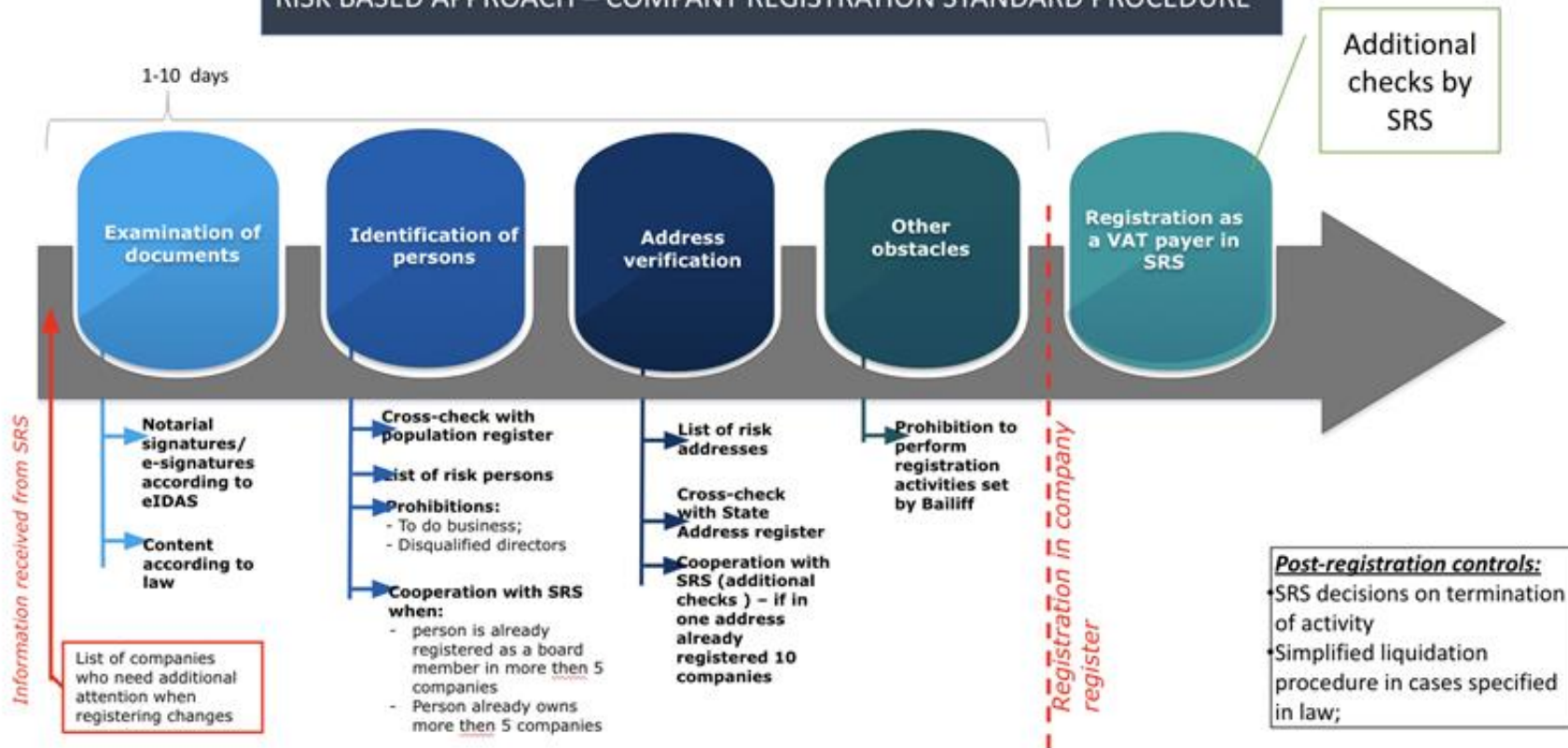


International examples of data verification



INFORMATION CROSS-CHECKS

RISK BASED APPROACH – COMPANY REGISTRATION STANDARD PROCEDURE






Mit Virk

Digital Mail

Follows

 Log in

CVR - Central Business Register

[Dansk](#) | [English](#) | [Kalaallisut](#)

Search CVR

[Help](#)

[View basket](#)

Search CVR

Search CVR number, business name, address, person...



Filter 

About CVR - The Central Business Register

CVR is the Danish state's master register of information about businesses. Here, you can search businesses and find their CVR numbers, addresses, business type, etc. Navigation and headings are in English, but you will meet a lot of Danish content. Read about functions and limitations in the English version of CVR.





Further reading

Verification of beneficial ownership


Policy briefing on verification best practice, case studies and implementation.

Available in English, Spanish, Indonesian and French.



Response to FATF Recommendation 24 changes

Comments on FATF's proposed text, suggesting strengthening and clarifying the language around central registers, granting access to a range of actors, and regulating bearer shares/nominee arrangements.



Revisions to Recommendation 24 and the Interpretive Note – Public Consultation

Open Ownership (OO) provides technical assistance to countries implementing beneficial ownership (BO) transparency reforms, to help generate accurate data on BO that complies with international standards and meets the needs of data users across government, obliged entities and the wider private sector, and civil society.

Since 2017, OO has worked with [over 40 countries](#) to advance implementation of beneficial ownership reforms, as well as supporting the creation of over 25 new central and sectoral registers. OO has developed the world's leading [data standard](#) for beneficial ownership information, co-founded the international [Beneficial Ownership Leadership Group](#), and built the world's first [transnational public beneficial ownership register](#).

OO is pleased to contribute to the public consultation on revisions to the FATF Recommendation 24. In summary:

- Open Ownership welcomes stronger language around central BO registries as part of the multi-pronged approach under Recommendation 24.
- A central registry is the most effective way to ensure competent authorities, obliged entities and all other actors fighting financial crime have timely access to accurate BO data.
- Registrars should be primarily responsible for ensuring the verification of BO data in these registers, although all users of the data have a role to play in improving data accuracy.
- In order to address some of the current challenges, FATF should set clear language around minimum standards and unambiguously outline the role regulators should play. This will lead to accurate, usable data, which is fundamental in fighting financial crime, but in itself does not automatically lead to data use and impact.
- Governments should take a proactive approach to increasing the capacity for proactive data use amongst all actors fighting financial crime. Central registries have been and are being [implemented in major financial centres](#), and it is here that the evidence must be gathered and the models developed for other countries to emulate.

For further information or to discuss these responses in further detail, please contact triana@openownership.org.

Multipronged approach to collection of Beneficial Ownership information

The requirement in paragraph 7 includes a compulsory company approach, a requirement for a public authority or body to hold beneficial ownership information (a beneficial ownership registry or another body)

1

Database design considerations

Technical guidance on how to build a system that holds beneficial ownership information. It focuses on the requirements for publishing data to meet the Beneficial Ownership Data Standard.





**Open
Ownership**



Contact:

Stephen Abbott Pugh:
stephen@openownership.org

Technical Helpdesk:
support@openownership.org