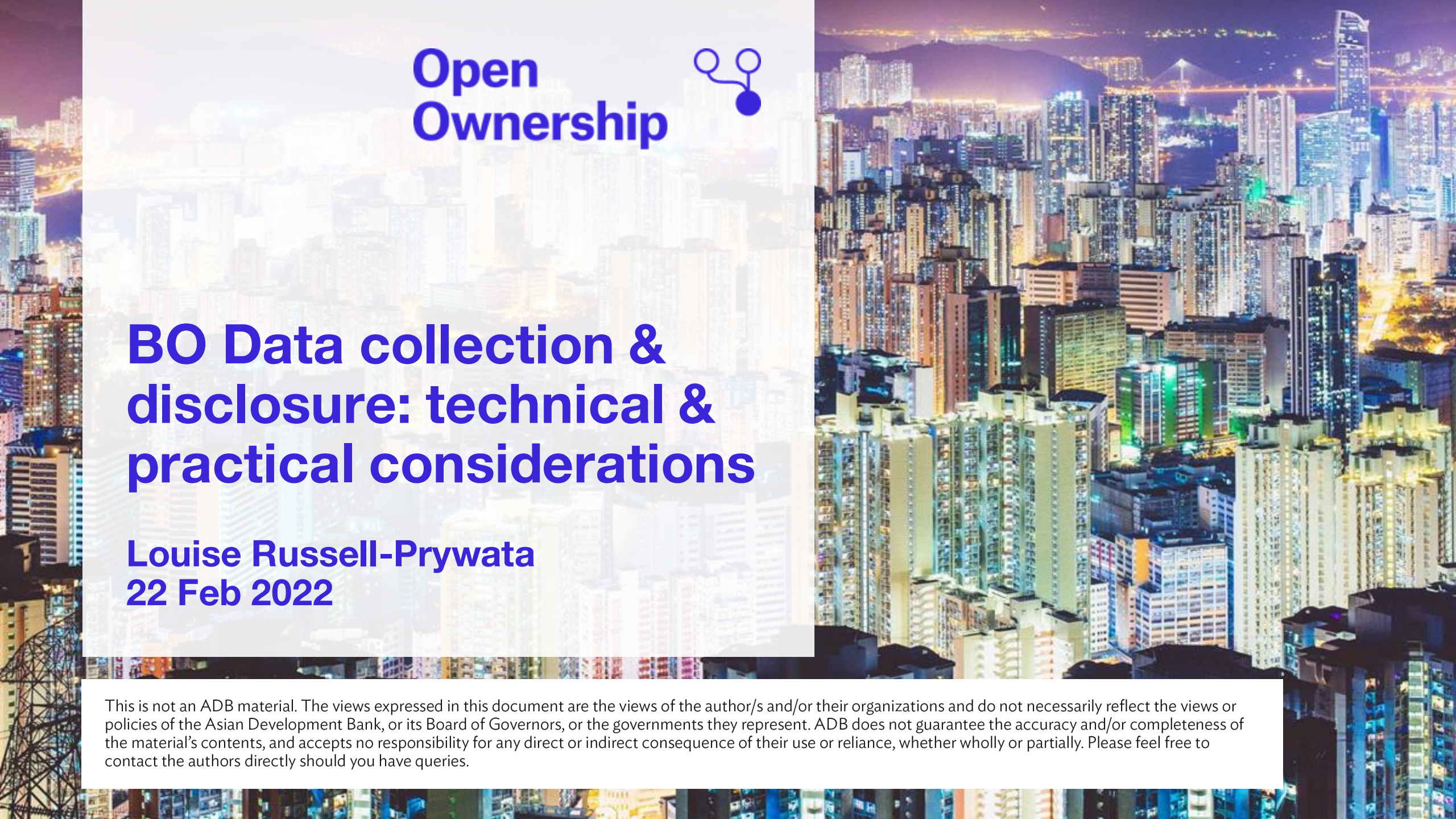

Open Ownership

BO Data collection & disclosure: technical & practical considerations

Louise Russell-Prywata

22 Feb 2022

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About Open Ownership

Open Ownership

Technical assistance

To implement beneficial ownership transparency

Policy guidance and research

Resources to understand and share best practice globally

Support to use ownership data

Beneficial Ownership Data Standard (BODS) and Open Ownership Register

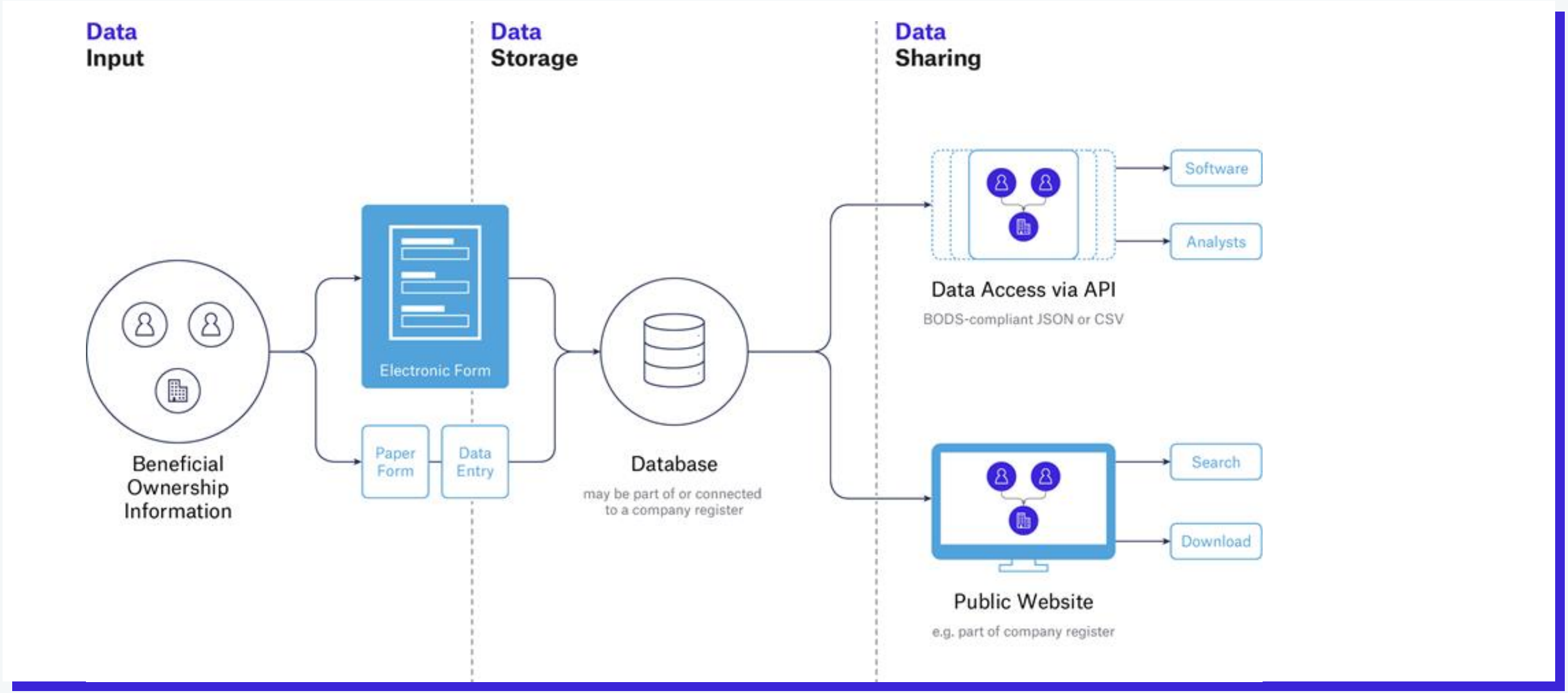
Focus of this presentation

Open Ownership

- How are countries collecting BO data?
- The benefits of structured BO data
- Case study: moving from unstructured to structured data
- Tools and solutions to help: Beneficial Ownership Data Standard & model collection forms
- Common data collection challenges & how to overcome them

Data collection & disclosure

Open Ownership



Methods of collecting BO data

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- **Paper form** - data is collected on paper, then potentially input to a database (e.g. Kyrgyz Republic EITI BO declarations)
- **Spreadsheet form -** data is input to a spreadsheet by the declaring company, these spreadsheets are stored and/or aggregated (e.g. Kazakhstan mining license data)
- **Web form -** companies use a specially designed form to input BO data, which is then automatically added to a database (e.g. Armenia)

"The scale of the solution should match the scale of the information being collected and should facilitate making the information publicly available." - R. Chhina, discussion paper

We'll focus on spreadsheets and web forms as these are the most practical and common solutions for collecting data.

Unstructured vs structured data

Open Ownership

Structured data = each declaration is stored in a pre-defined format. This makes it easy to search, compare and link declarations.

Unstructured data = no set format for each declaration. Likely to require data science expertise/lots of time to search, compare and link declarations.

Unstructured

Nature of ownership or control
This beneficial owner indirectly herself, or through her children, owns 27% of the declaring legal entity's shares through the following shareholders of the legal entity (1) "Angerujjheit B.V.", registration number in the Netherlands 64739564, registered office: Byterslaan 105, NL-4722GF Amsterdam, Netherlands; (2) "RigaTech Systems Ltd.", registration number in the United Kingdom: 396654, registered office: P.O. Box 124, Company Services Ltd. Main Road, London, United Kingdom.

Structured

Nature of ownership or control	
% Aggregate share ownership	27
% Aggregate control via voting shares	27
Direct share ownership in declaring entity	0
Direct voting control over declaring entity	0

1.1 Intermediate legal owner(s)	
Legal owner 1	
Name	Angerujjheit B.V.
Registration authority	Commercial register of the Netherlands
Registration number	64739564
Legal owner 2	
Name	RigaTech Systems Ltd.
Registration authority	Companies House, UK

Human & computer readable structured data

Open Ownership

BODS JSON data from the Open Ownership Register

```
// 20220214120650
// https://register.openownership.org/entities/5b5f56e39dfc3fae184f55ef.json

[
  {
    "statementID": "openownership-register-7446668580784303046",
    "statementType": "entityStatement",
    "entityType": "registeredEntity",
    "name": "Armenia Ventures IVS",
    "incorporatedInJurisdiction": {
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      "code": "DK"
    },
    "identifiers": [
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      },
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        "id": "https://register.openownership.org/entities/5b5f56e39dfc3fae184f55ef",
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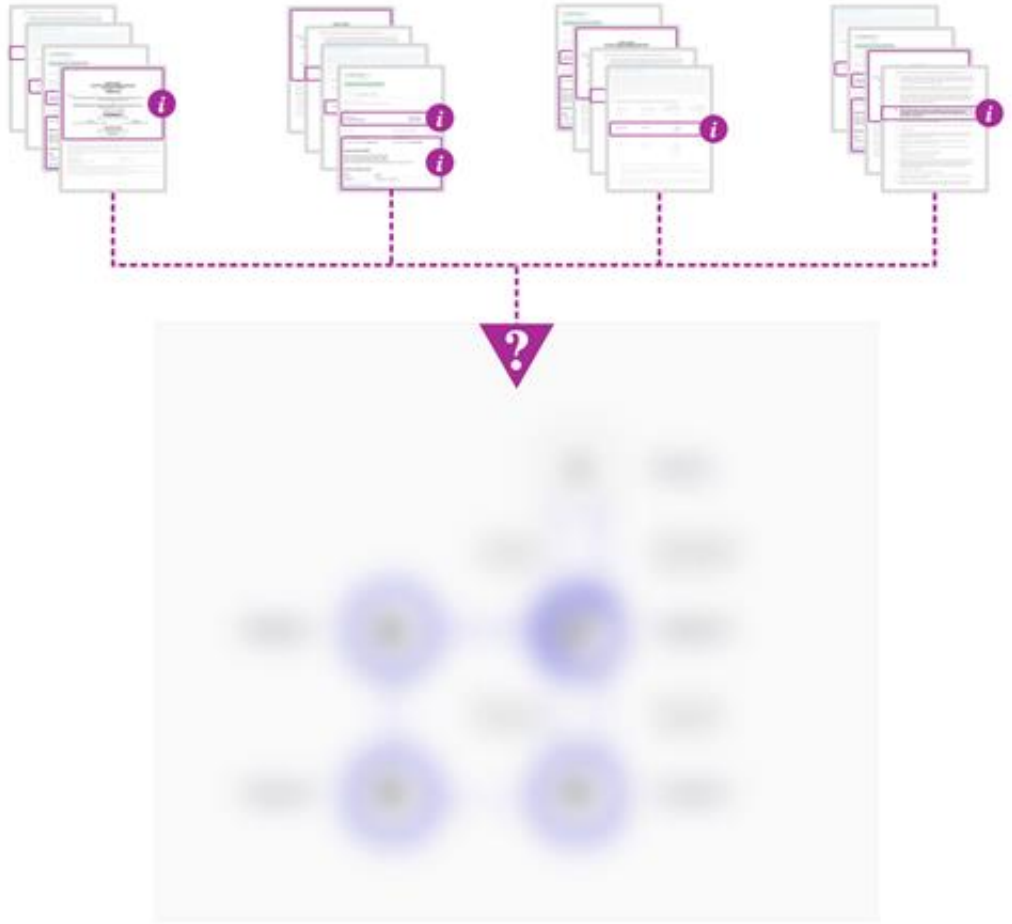
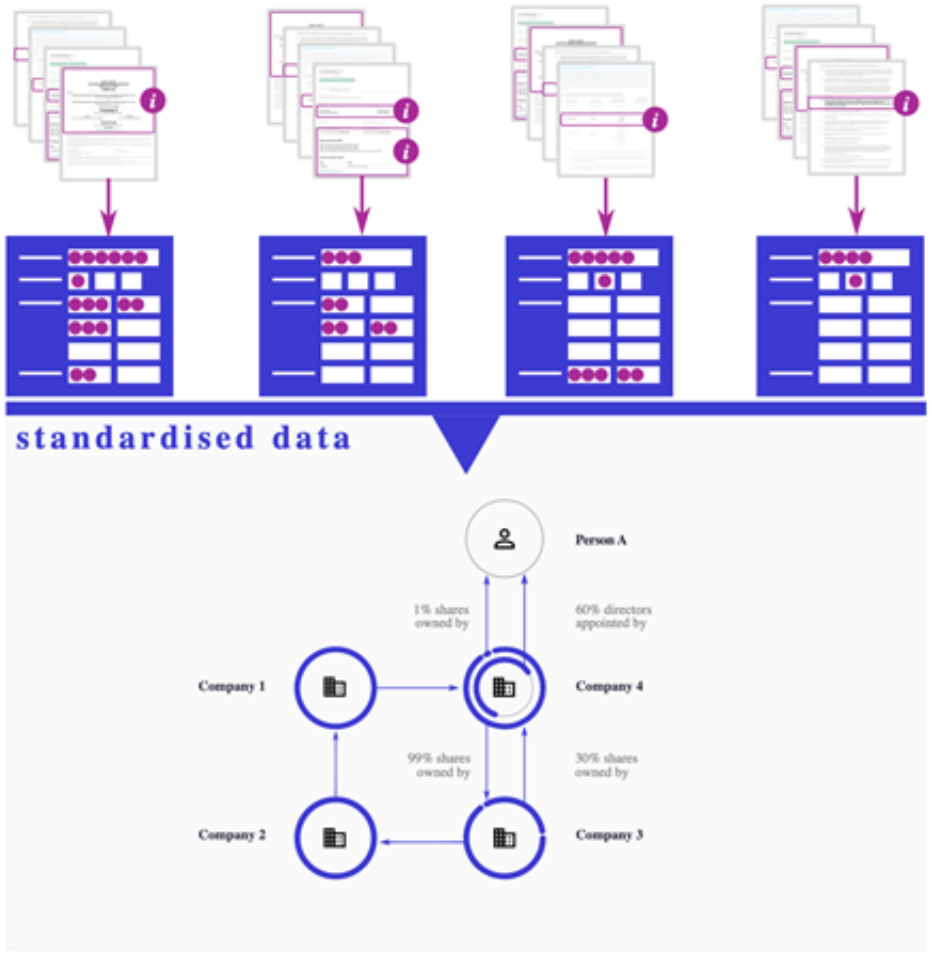
Hard to use unstructured beneficial ownership data

Open Ownership



Structured data makes analysis easier

Open Ownership



Case study: Armenia's extractives BO register

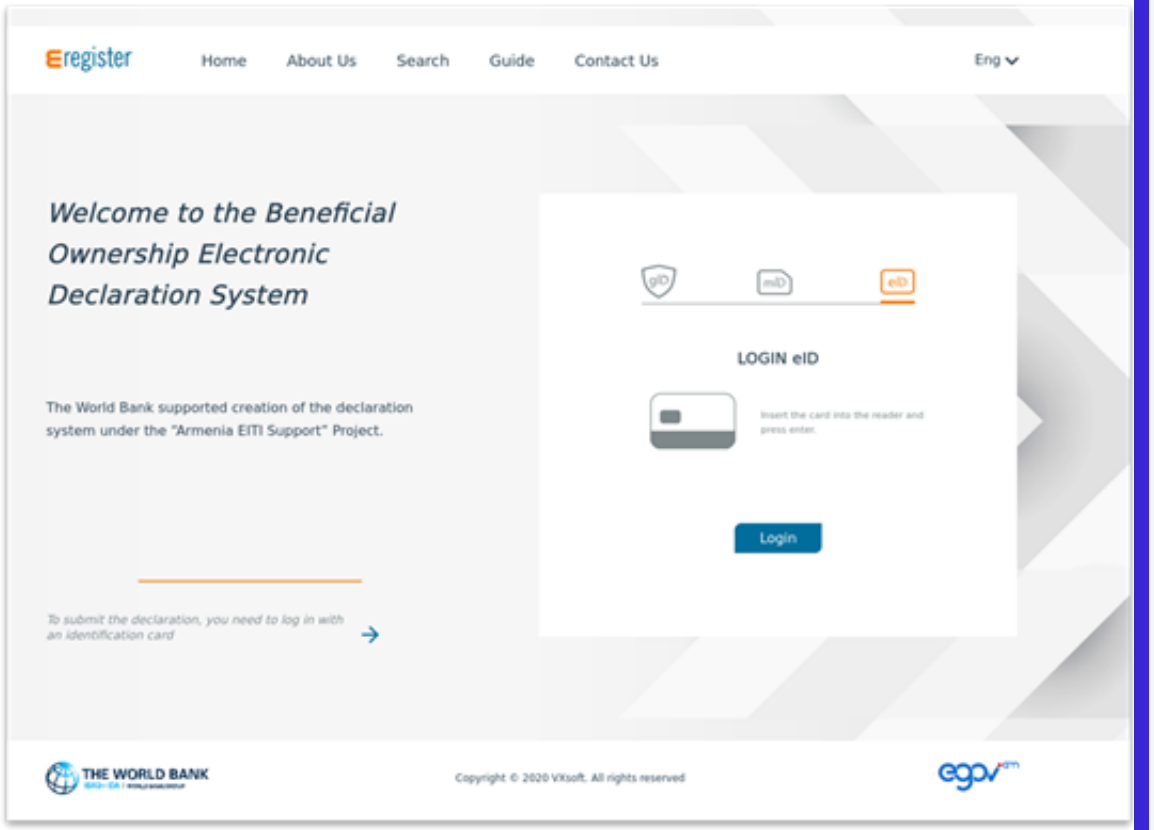
Open Ownership

- OO has provided technical assistance to Armenia MOJ & Armenia EITI to implement BOT
- In early 2020 the first BO declarations from extractives companies were submitted using paper forms
- They were made publicly available as pdfs on the Armenian company register.

Case study: Armenia's extractives BO register

Open Ownership

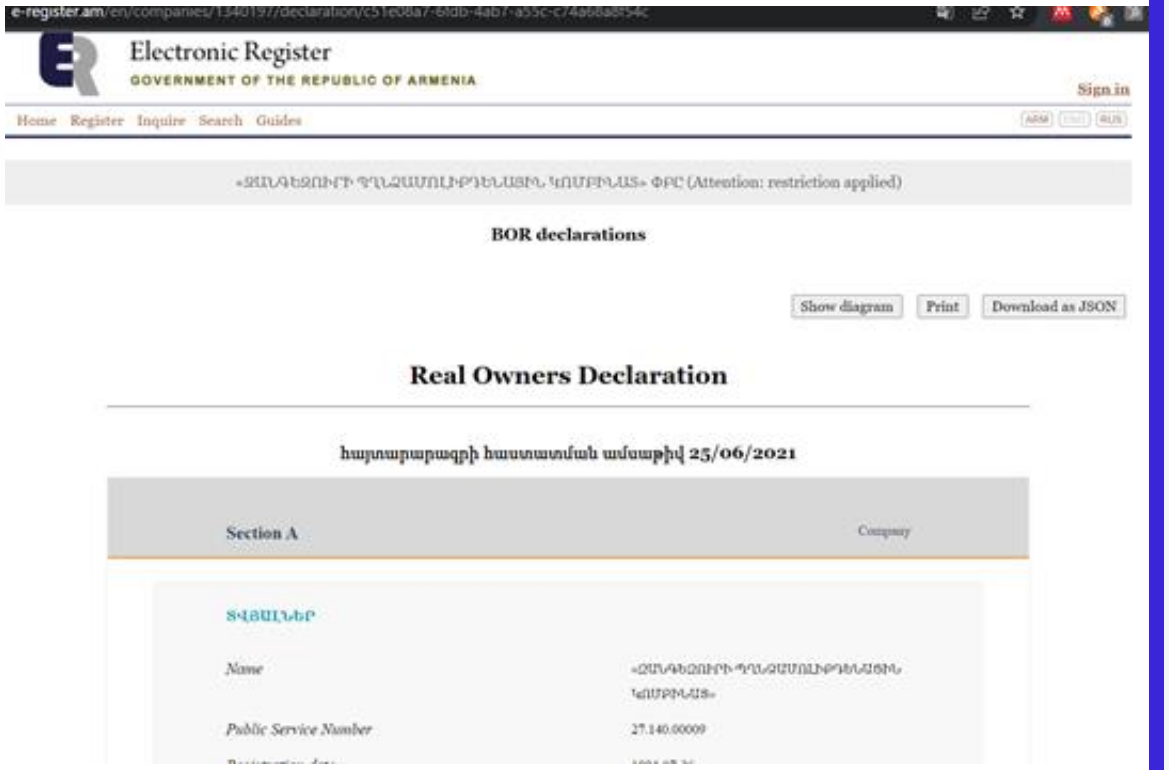
- In 2021 Armenia developed new BO register software to collect information as structured data, using the Beneficial Ownership Data Standard
- Companies use an online form to make their declaration



Case study: Armenia's extractives BO register

Open Ownership

- The register software takes these declarations and can present them in different ways that help users understand the data
- The content of an individual declaration can be displayed online (right)



Case study: Armenia's extractives BO register

Open Ownership

- Because the Armenian disclosure regime requires information on the chain of beneficial ownership, the software can represent visually how ownership/control is held (right)

Case study: Armenia's extractives BO register

Open Ownership

- This is made possible as the Armenian register uses the Beneficial Ownership Data Standard
- Each declaration is available in JavaScript Object Notation (JSON) (right), a computer-readable structured data format
- Declarations can also be downloaded in this format for users able to work with the JSON data


```
[
    {
        "statementID": "ameiti2020dec0000001person0000001",
        "statementType": "personStatement",
        "statementDate": "2020-03-01",
        "personType": "knownPerson",
        "names": [
            {
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                }
            ]
        },
```

The Beneficial Ownership Data Standard (BODS)

Open Ownership

- An open standard for anyone to use, aims to transform the availability of structured beneficial ownership data around the globe
- “Data standard” = standardised format; BODS is flexible to align with different countries’ disclosure requirements (e.g. different fields, level of detail on ownership chains, availability of certain fields to the public, etc)
- Enables analysis & sharing of structured, linkable BO data - inc. across countries in line with proposed revisions to FATF R.24
- A practical solution to deal with complexities of BO disclosures such as complex ownership and control relationships

Beneficial Ownership Data Standard (BODS)

Open Ownership

BODS provides a structured data format, along with guidance for collecting, sharing and using high-quality BO data

- The data schema describes how and what data can be collected and shared. It can also inform the design of data collection and management systems;
- The technical guidance provides support for implementers and users of the data.

Key aspects of BODS

Open Ownership

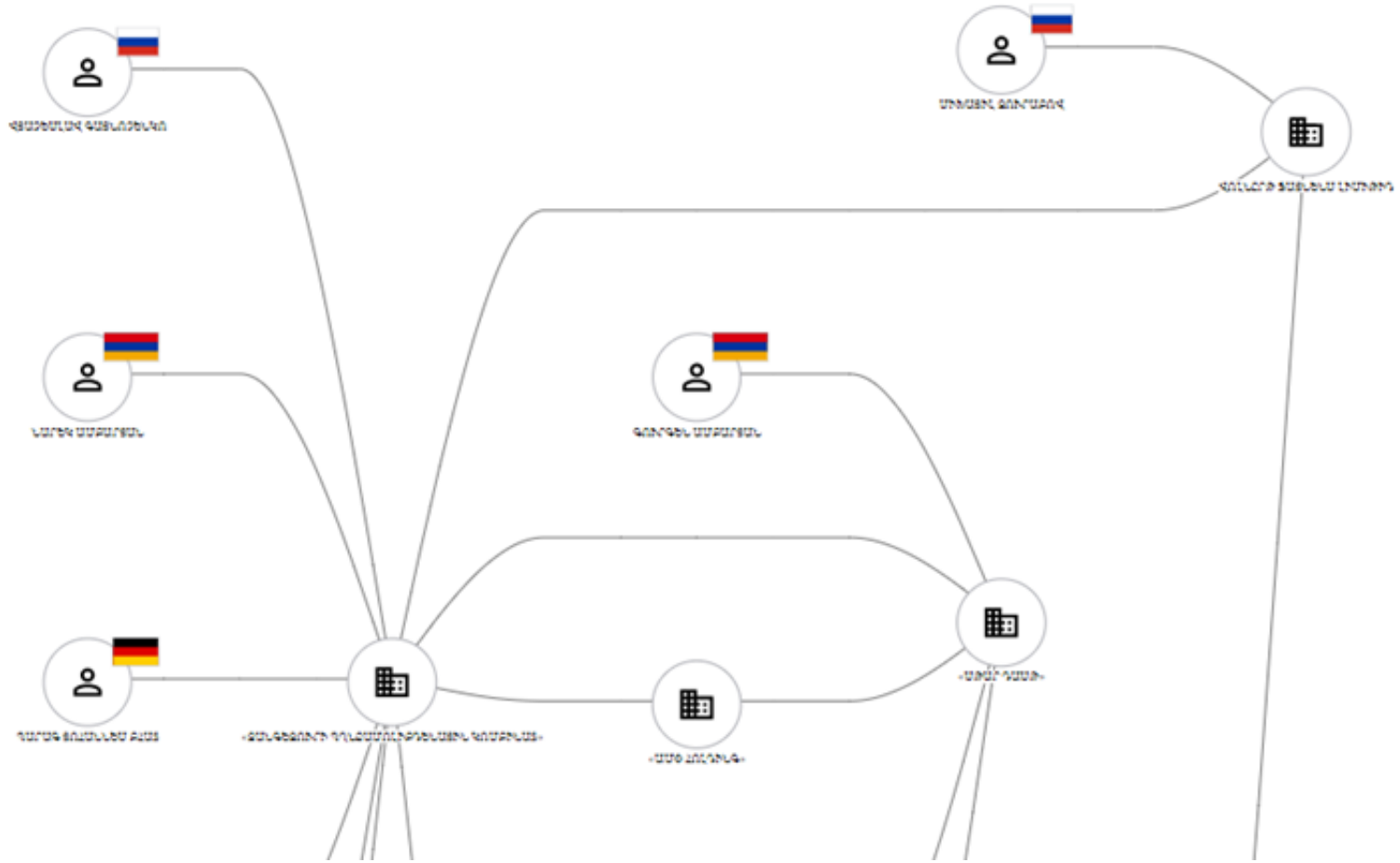
BODS organised around concept of statements which describe:

- A person
- Entities (including companies, trusts and arrangements)
- Ownership or control of entities by a person

Combined, these statements can explain and visualise simple or complex beneficial ownership structures.

Key aspects of BODS

Open Ownership



Fields belonging to different types of statement

Open Ownership

Person

- Statement ID, type and date
- Person type
- Unspecified person details
- Names
- Identifiers
- Nationalities
- Place of birth
- Birth date
- Place of residence
- Tax residencies
- Addresses
- Has PEP status
- Provenance (source/annotations/ replaces statement)

Entity

- Statement ID, type and date
- Entity type
- Unspecified entity details
- Name
- Alternate names
- Jurisdiction
- Identifiers
- Founding date
- Dissolution date
- Addresses
- Provenance (source/annotations/ replaces statement)

Ownership or control

- Statement ID, type and date
- Component
- Component statement IDs
- Subject
- Interested party
- Interests
- Provenance (source/annotations/ replaces statement)

How BODS has been developed

Open Ownership

- Developed by OO in partnership with experts in open data standards, including team who developed Open Contracting Data Standard (OCDS)
- Partnership with key international and national stakeholders to develop in line with policy and technology needs
- Collaboration with governments implementing BODS including Armenia, Latvia, Nigeria and Ukraine to be responsive to implementers' needs
- BODS currently at v0.2 with v0.3 forthcoming soon

Tools to help data collection: EITI model forms

Open Ownership

- For agencies tasked with implementing BO requirements of the EITI Standard, EITI provides model disclosure forms, developed with support from OO's technical team
- 2 forms:

Basic data collection form: Excel + Word options

High quality data collection form: Excel - is BODS compatible

Forms available here: https://eiti.org/document/beneficial-ownership-model-declaration-form

Basic vs high quality forms

Open Ownership

- Both forms provide models for collecting the BO data required by the EITI Standard
- The basic form is most suitable for countries with small numbers of companies and lower technical capacity to collect and publish data
- The high quality form can be used in its Excel format, but is most useful as a basis for countries designing an online form
- Using the high quality form helps ensure the BO data that is collected can be linked with existing government data or made publicly available through an online register or API

Common challenges with data collection

Open Ownership

- **Designing forms** that can generate structured data and are easy to use
- **Awareness** - ensuring companies are fully aware of their obligations and what information must be disclosed
- **Converting paper to electronic** - technical + human capacity challenges
- **Verification** - collecting data in ways that enable it to be verified (more in tomorrow's session)
- **Complex ownership** - collecting information on how ownership or control is exerted (e.g. info on ownership chains)

Features of effective data collection forms

Open Ownership

- Digital as far as possible
- It is clear which BO's and which companies fall under the scope of the disclosure process - guidance is provided for companies on how and what to submit
- Easy to understand and navigate, and uses plain language and illustrative examples
- Specific about the format in which answers should be given (e.g. "Provide dates in DD/MM/YYYY format")
- Offers selection/drop down lists rather than free-text entry where relevant (e.g. for country of registration of non-domestic entities)
- Clearly states which fields are required and which are optional
- States which fields are for internal use only and will not be made public

Open Ownership

Questions?

louise@openownership.org