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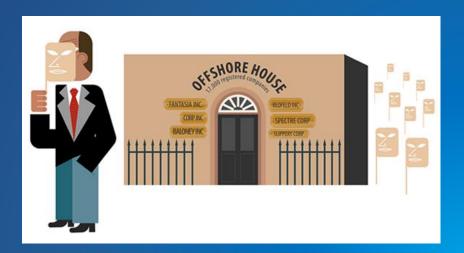
Regional Office for Southeast Asia and the Pacific

Beneficial ownership transparency in Southeast Asia



Why beneficial ownership?

- Preventing and addressing corruption and organized crime
 - Link proceeds of crime (accounts, property, funds, etc.) to legal persons, suspects and the crime
- Know who is behind a company or other investment vehicle
 - Know who you are doing business with and control for risks
 - Know who is investing in your country





Prevention and detection of money laundering and transfer of proceeds of corruption (UNCAC art. 14-52)

States

- ➤ Establish comprehensive AML system
 - > AML authorities have the ability to cooperate nationally and internationally establish FIU
 - Establish effective financial disclosure systems for public officials
 - Produce advisories on PEPs and accounts to be scrutinized

Art 12: Companies >

transparency of those involved in establishing and managing companies



Financial institutions

- > Verify the identity of customers
- ➤ <u>Determine the identity of beneficial</u> <u>owners of high-level accounts</u>
- > Apply enhanced scrutiny to accounts maintained by prominent public officials
- ➤ Report suspicious transactions to competent authorities
- ➤ Maintain adequate records regarding of high-level accounts for appropriate period of time
- ➤ No relations with banks that have no physical presence



FATF framework for prevention of ML – main elements

Financial institutions

- •CDD
- Record keeping
- Politically Exposed Persons
- Correspondent banking
- Money or value transfer services
- •Reporting of suspicious transactions

Designated non-financial businesses and professions

Same requirements

States

•Ensure Transparency of beneficial ownership of legal persons and arrangements



International frameworks on beneficial ownership

Country	United Nations Convetion against Corruption (UNCAC)	Asia-Pacific Group on Money Laundering (APG)	Extractive Industries Transparency Initiative	Open Government Partnership (OGP)	G20 Anti-Corruption Working Group (G20 ACWG)
Cambodia					
Indonesia					
Malaysia					
Vietnam					
Philippines					
Thailand					

Green: Member States/ Implementing Countries

Source: UNODC compilation



Company Registries in Southeast Asia

Country	Centr al Regi stry	Legal Persons	Verification	Sanctions	Public Access	
Cambodia	Yes	Companies, partnerships, sole proprietorships	Yes, challenging in practice	No	Basic information accessible	
Indonesia	Yes	Companies, foundations, associations, trusts	To an limited extend	No	Yes, upon registration and fee	
Malaysia	Yes	Companies, sole proprietorships, partnerships	Unclear	Yes (administrative & strike- off)	Yes, upon registration and fee	
Vietnam	Yes	Companies, associations	No information available	No information available	Basic information accessible	
Philippines	Yes	Stock and non- stock corporations, partnerships	Yes	Yes (administrative, civil, and criminal liability for directors/officers, revocation of registration)	No	
Thailand	Yes	Sole proprietorship, partnerships and limited companies, including with foreign investment	No information available	No information available	Basic information accessible	



FATF evaluations

Country	Compliance R24 & R25	Immediate Outcome 5		
Cambodia	Partially Compliant	Fundamental improvements needed.		
Indonesia	Partially Compliant	Major improvements needed		
Malaysia	Partially Compliant	Major improvements needed		
Vietnam	Partially Compliant	Fundamental improvements needed		
Philippines	Partially Compliant	Fundamental improvements needed.		
Thailand	Partially Compliant	Fundamental improvements needed.		
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Definition – Beneficial Ownership

Country	Natural Person	Direct & indirect ownership & control	Threshold	Exemptions	
Cambodia	Unclear	Not specifically mentioned	No	n/a	
Indonesia	Yes	Yes	25%, plus other criteria	No	
Malaysia	Yes	Yes	20%, plus other criteria	Yes for stock listed entities	
Vietnam	Yes Yes 25%		25%, plus other criteria	No	
Philippines	Yes	Yes	25%, plus other criteria	No	
Thailand	n/a	n/a	n/a	n/a	



Beneficial ownership registries in Southeast Asia

Country	Central Registry	Reportingobligation	Verification	Sanctions	Public Access
Cambodia	No	n/a	n/a	n/a	n/a
Indonesia	Yes	Limited liability companies, foundations, associations, cooperatives, limited and unlimited partnerships, foreign corporations	If deemed necessary, unclear in practice	Yes	No
Malaysia	Not yet	Domestic and foreign companies under the Companies Act 2016, domestic and foreign limited liability partnerships under the LLPA 2012, governmentand state-owned companies	n/a	n/a	n/a
Vietnam	No	n/a	n/a	n/a	n/a
Philippines	Partially	SEC registered stock and non-stock domestic corporations	If deemed necessary	Yes	No
Thailand	No	n/a	n/a	n/a	n/a



Way Forward

- Registries still to be introduced or made functional in the region
- Report discrepancies on beneficial ownership to the relevant authorities
- Data format in beneficial ownership registries (searchable, historic changes, nature & extend of BO interest)
- Ensure verification and validation, application of penalties for non-compliance
- Domestic and international cooperation
- Oversight through civil society





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