

## KEY FINANCIAL SECRECY INDICATORS

## Key Financial Secrecy Indicator 6: Public Company Ownership

### What is measured?

This indicator considers whether a jurisdiction requires all available types of companies with limited liability to publish updated beneficial ownership or legal ownership information on public records accessible for free via the internet.<sup>1</sup> A zero secrecy score can be achieved if both beneficial and legal ownership is published for free in open data format. If there are types of companies for which no or incomplete or outdated ownership information is published online, the secrecy score is 100 points. Partial reductions of the secrecy scores can be achieved by making data on either beneficial or legal ownership information publicly accessible for a fixed cost not exceeding US\$ 10, € 10 or £ 10. This indicator only assesses companies which are not listed on a public stock exchange.

The Secrecy Scoring Matrix can be found in Table 6.1 below, and full details of the assessment logic can be found in Table 6.3 underneath.

**Table 6.1: Secrecy Scoring Matrix KFSI 6**

| <b>Regulation</b><br>[Secrecy Score: 100 points = full secrecy; 0 points = full transparency]   | <b><u>Online for free &amp; in open data</u></b> | <b><u>Online for free, no open data</u></b> | <b><u>Online at small cost</u></b><br>[i.e. up to 10€/US\$/GBP] |
|---|--|---|---|
| <b><u>Incomplete ownership or high cost</u></b><br>Complete and updated ownership information is not always published for a cost of up to 10€/US\$/GBP, or unknown. | 100  |   |   |
| <b><u>Legal Ownership</u></b><br>All companies publish updated and complete legal owners, but fail on beneficial owners.  | 80   | 85  | 90  |
| <b><u>Beneficial Ownership</u></b>  | 50   | 55  | 60  |

|   |   |   |    |
|---|---|---|----|
| All companies publish updated and complete beneficial ownership, but fail on legal owners.                                      |   |   |    |
| <b><u>Beneficial and Legal Ownership</u></b><br>All companies publish both updated and complete beneficial and legal ownership. | 0 | 5 | 10 |

All underlying data can be accessed freely in the [📖 Financial Secrecy Index database](#) (IDs 470, 471, 472, 473, 475 and 486).

To meet a reasonable standard, published ownership information must comply with minimum requirements. The recorded beneficial owners must be the natural human beings who enjoy the right to ownership or the rewards flowing from ownership of the entity, as prescribed by anti-money laundering standards.<sup>2</sup> For this purpose, trusts, foundations, partnerships, limited liability corporations and other legal persons do not count as beneficial owners. Different percentage thresholds of control or ownership applied in the definition of the beneficial owner are disregarded in this indicator as long as the definition and threshold of a beneficial owner is the same or stronger than the requirements of the Financial Action Task Force (FATF) and the European Union ([see KFSI 3](#)).<sup>3</sup>

For ownership information to be considered updated, the relevant data should be required to be updated at least annually. For ownership information to be considered complete, it needs to comprise specific minimal elements. It should include in case of **beneficial owners**:

- a) the full names of all beneficial owners of the entity, where a beneficial owner is identified in line with or stricter than the requirements of the Financial Action Task Force (FATF) and the European Union<sup>4</sup>; and for each beneficial owner:
- b) full address, or passport ID-number, or year and month of birth, or a Taxpayer Identification Number (TIN).

In case of **legal owners**, the minimum details required to be published online include:

- a) The full names of nominees and/or trustees and/or legal entities acting as legal owners or partners, and for each:
- b) The full address or company registration number (for legal persons), or passport ID-number, or year and month of birth, or a Taxpayer Identification Number (TIN).

If this data is available online but there is a cost to access it, the secrecy score will be reduced but not to zero. To obtain a zero secrecy score the data must be accessible online for free.

Even if the cost per record is low, it can be prohibitively expensive to import this information into an open data environment which limits the uses of the data. For example, access costs create substantial hurdles for conducting real time network analyses, for constructing cross-references between companies and jurisdictions, and for new creative data usages.<sup>5</sup> Furthermore, complex payment or user-registration arrangements for accessing the data (e.g. registration of bank account, requirement of a local identification number or sending of hard-copy mails) should not be required.<sup>6</sup>

From an open data perspective, a zero secrecy score is subject to the type of license for the use of the data, and whether the data is fully downloadable from the internet. In cases where data was found to be freely available, we have consulted the corresponding jurisdiction at the open company data index published online by open corporates.<sup>7</sup> Only if there was an open license or no license for the reuse of the data, and if the data was freely available for download, we considered it as open data.<sup>8</sup>

This indicator mainly builds on analysis undertaken in [KFSI 3 as regards company ownership registration](#).<sup>9</sup> If that analysis indicated that complete and updated beneficial or legal ownership information is recorded by a government agency and may be made available online, we have searched for this information on the corresponding websites of the company registrars. Therefore, the sources for this indicator are identical to KFSI 3 with the only additional sources being a) the results of the random searches on the respective jurisdiction's online company registry; and b) the open company data index published by open corporates.<sup>10</sup>

The only difference applies to the requirements around the registration of birthdates. Whereas in KFSI 3, we require the birthdate to be registered, KFSI 6 only requires the year and month of birth to be disclosed.

Following the weakest link principle<sup>11</sup> which we follow for the purposes of FSI research, a precondition for reducing the secrecy score in this component is that all available types of companies are required to publish the relevant information online and that the information is required to be updated at least annually (including strict registration/immobilisation of bearer shares). If any exceptions are allowed for certain types of companies, we assume that anyone intending to conceal information from public view will simply opt for company types where information can be omitted.

In 2018 the 4<sup>th</sup> EU anti-money laundering Directive was amended (known as AMLD 5) requiring all EU Member states to allow public access to beneficial ownership information for companies and other legal persons.<sup>12</sup> The last transposition date of AMLD 5 was set to 10 January 2020. However, public access does not necessarily have to be online. Art 30 of the AMLD 5 states the following: “5. Member States shall ensure that the information on the beneficial ownership is accessible in all cases to: [...] (c) any member of the general public [...] 5a. Member States may choose to make the information held in their national registers referred to in paragraph 3 available on the condition of online registration and the payment of a fee, which shall not exceed the administrative costs of making the information available, including costs of maintenance and developments of the register.”<sup>13</sup>

Therefore, transposition of the AMLD 5 does not necessarily ensure that beneficial ownership information of companies will be publicly accessible online.

All underlying data can be accessed freely in the [Financial Secrecy Index database](#). To see the sources we are using for particular jurisdictions please consult the assessment logic in Table 4 at the end of this document and search for the corresponding info IDs (IDs 470 – 475, 485 and 486) in the database report of the respective jurisdiction.

## Why is this important?

The reasoning in favour of public registries of beneficial ownership has been laid out in great detail and through many case studies.<sup>14</sup> The Panama Papers<sup>15</sup> illustrate the abundance of cases where the absence of beneficial ownership information has allowed the abuse of legal entities. In essence, these revelations added value by proving the identities of beneficial owners of otherwise anonymous shell companies. The secrecy provided by law firm Mossack Fonseca through shell companies, the largest number of which were registered in the British Virgin Islands, enabled criminals to launder illicit proceeds of corruption, tax evasion, drugs money and human trafficking as well as to finance terrorism. In a nutshell, the absence of readily available beneficial ownership information obstructs law enforcement and creates a criminogenic environment. Incentives to break laws are greatly increased when individuals can hide behind anonymity in combination with limited liability.

If ownership information is only held secretly on a government database to which there is no public access, there is little likelihood of appropriate checks being undertaken to ensure that the registry actually collects and regularly updates accurate beneficial ownership information. The

reliability, accuracy and timeliness of data availability cannot be checked independently.

In a global setting of fierce regulatory and tax competition for capital, the likely outcome of this scenario would be registries that are not diligently maintained, and whose data is outdated or non-existent. Without public scrutiny, misleading or fraudulent data entries about the alleged owners of companies become almost impossible to detect until a criminal investigation attempts to reveal the corporate veil of such an entity – at which point it is too late, the fruits of the crime have been realized and crime prevention has failed. It is third party use that is likely to create the pressure to ensure compliance.

The Panama Papers revealed how misleading, if not fraudulent, ownership recordings were provided on a commercial basis to clients seeking secrecy. Parts of this practice might have even been legal under the EU's 4<sup>th</sup> Anti-Money Laundering Directive and in conformity with FATF's recommendations. These rules allow the registration of a company's senior manager instead of a beneficial owner under certain conditions. The Panama Papers revealed how the law firm Mossack Fonseca has provided so-called premium sham directors. By using these, the real beneficial owners could remain hidden and a premium sham director was recorded by the law firm instead: "For a five-digit sum, the law firm offered to have a person pose as the true company owner".<sup>16</sup> The same kind of misleading or fraudulent ownership recording is possible whenever beneficial ownership information is not made public but kept on confidential government registries.

Publishing beneficial ownership information online will maximise the deterrent effect of making data transparency. In cases where a company has been used for criminal purposes and the real identity of the beneficial ownership was falsely recorded in an online directory, board members or other parties responsible for supervision of the legal entity should face scrutiny, and / or prosecution. This will greatly increase the willingness of all parties to record accurate information.

The information asymmetries resulting from non-public beneficial ownership information also distort markets, for example in public procurement. Public officials and members of the inner circle of powerful politicians can easily hide behind shell companies. When these companies then participate in public tenders and win public contracts, they will benefit, behind the scenes, the very same politicians, ministers or presidents who are responsible for overseeing the public tendering process. As a consequence, public trust in fair market competition and in government is eroding.

In Slovakia, where a new law for disclosure of beneficial owners in public procurement processes came into force on 1 January 2017, the effects are remarkable. As an opposition party source noted:

Some notorious Slovak tycoons that were previously hidden behind foreign structures (and the public could only guess who owned them) actually admitted in the public register that they are beneficial owners of these companies. One case of particular interest is company Vahostav that builds most of Slovakia's highways and public buildings.<sup>17</sup>

While Panama Papers were extraordinary in scale, detail and impact, these revelations were not the first instance that revealed the problems caused by hidden ownership. The World Bank reported in 2011 how the proceeds of bribery and corruption can be hidden and transferred by anonymous shell companies:

Our analysis of 150 grand corruption cases shows that the main type of corporate vehicle used to conceal beneficial ownership is the company [...] Companies were used to hide the proceeds of corruption in 128 of the 150 cases of grand corruption reviewed ([World Bank 2011: 20, 34](#)).<sup>18</sup>

In a joint publication of 2011 by the United Nations and the World Bank relating to stolen assets (by embezzlement, bribery, etc.), both argued that company registries should be searchable online:

Jurisdictions should develop and maintain publicly available registries, such as company registries, land registries, and registries of nonprofit organizations. If possible, such registries should be centralized and maintained in electronic and real-time format, so that they are searchable and updated at all times ([UNODC/World Bank 2011: 93](#)).<sup>19</sup>

Where online disclosure of beneficial ownership information does not exist, the availability of at least detailed legal ownership information would enable a foreign authority to follow up some initial suspicions on wrongdoing and enable that authority to successfully file a request for information exchange with its foreign counterpart. The legal owner can be addressed by an information request and will sometimes be required to hold beneficial ownership information which it then must provide to an enquiring authority. At the same time, delays are created through an absence of beneficial ownership information, and failure to prevent tipping-off may frustrate law enforcement efforts.

However, another reason for placing the ownership information on publicly accessible online record is that tax administrations and public prosecutors do not always have the political support and freedom to investigate cases

of large scale tax evasion and big ticket money laundering. This is well illustrated through [Swiss Leaks](#)<sup>20</sup> about secret bank accounts held at HSBC private bank. While many of the accounts were related to tax evasion and money laundering, [it was revealed](#)<sup>21</sup> how some authorities had failed to request access to the data, and some others did not use the information they received to investigate. Some authorities only started to take action after the data had been leaked to the media.

This does not mean that we demand that everybody must put his or her identity online for everybody else to view. Far from it: if someone prefers to keep her financial dealings and identity confidential, she can dispense with opting for limited liability status in the company type chosen and deal in her own name instead. In such a case, personal identity information would not be required to be revealed online and thus the link between an individual and a business ownership would remain confidential.

Limited liability is a privilege conferred by society at large. In exchange, the minimum safeguard it legitimately requires for the functioning of markets and the rule of law is that the identity of owners must be publicly available. This holds true especially for private companies that do not trade their shares on a stock exchange.

In a [decision of March 2017](#),<sup>22</sup> the European Court of Justice appears to support these principles in the face of counter arguments based on data protection and privacy.<sup>23</sup> The court denies that there is a right to be forgotten for personal data recorded in a business registry. In the press release on the verdict, the court states:

By today's judgment, the Court notes first of all that the public nature of company registers is intended to ensure legal certainty in dealings between companies and third parties and to protect, in particular, the interests of third parties in relation to joint stock companies and limited liability companies, since the only safeguards they offer to third parties are their assets. The Court further notes that matters requiring the availability of personal data in the companies register may arise for many years after a company has ceased to exist. Having regard to (1) the range of legal rights and relations which may involve a company with actors in several Member States (even after its dissolution), and (2) the diversity of limitation periods provided for by the various national laws, it seems impossible to identify a single period after which the entry of the data in the register and their disclosure would no longer be necessary.

(...) The Court considers that this interference with the fundamental rights of the persons concerned (in particular the right to respect for private life and the right to protection of

personal data guaranteed by the Charter of Fundamental Rights of the Union) is not disproportionate in so far as (1) only a limited number of personal data items are entered in the company register and (2) it is justified that natural persons who choose to participate in trade through such a joint stock company or limited liability company, whose only safeguards for third parties are the assets of that company, should be required to disclose data relating to their identity and functions within that company.<sup>24</sup>

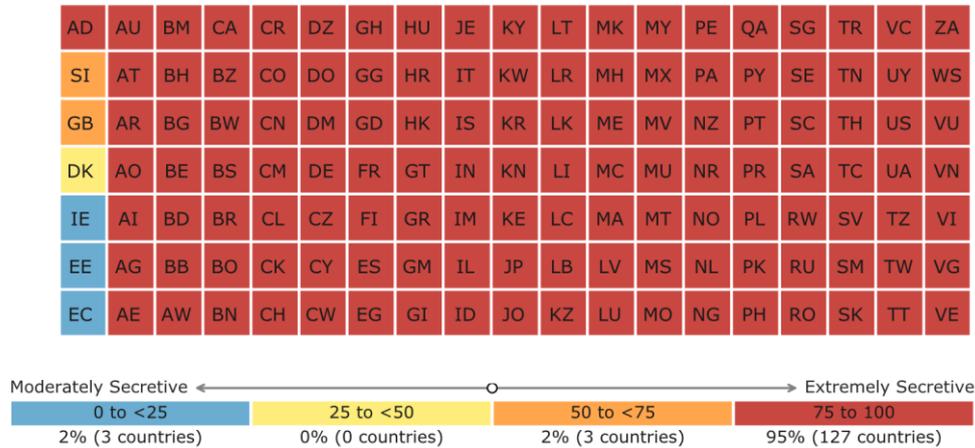
Two important aspects stand out in the European Court of Justice's decision. **First**, the court clearly endorsed the principle of requiring (more) public disclosure of the identities of those natural persons who choose to use legal entities that confer the privilege of limited liability. **Second**, the court ruled as commensurate and proportionate to the risks emanating from limited liability companies that the identities of those persons involved in the company should remain accessible on public record long after the dissolution of the company.

In relation to this and as described above, AMLD 5, which was required to be transposed by 10 January 2020, require all Member states to enable public access to beneficial owners' of companies and other legal persons such as partnerships and private foundations (and also for trusts' beneficial owners as long as they can prove a legitimate interest).

**All underlying data can be accessed freely in the  [Financial Secrecy Index database](#) (IDs 470, 471, 472, 473, 475 and 486).**

## Results Overview

**Figure 6.1. Public Company Ownership- Secrecy Score Overview**



**Figure 6.2. Public Company Ownership- Overview**

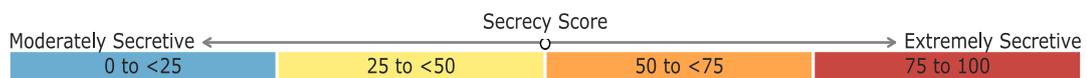


Among the jurisdictions publishing complete legal and/or beneficial ownership information on limited partnerships, only **New Zealand, Denmark and United Kingdom** makes the data available in **Open Data** format.

# KFSI 6: PUBLIC COMPANY OWNERSHIP

**Table 6.2: Public Company Ownership Secrecy Scores**

| Secrecy score | ISO2: Country Name       | Secrecy score | ISO2: Country Name           |
|---------------|--------------------------|---------------|------------------------------|
| 100           | AW: Aruba                | 100           | KN: St. Kitts and Nevis      |
| 100           | AO: Angola               | 100           | KR: South Korea              |
| 100           | AI: Anguilla             | 100           | KW: Kuwait                   |
| 100           | AD: Andorra              | 100           | LB: Lebanon                  |
| 100           | AE: United Arab Emirates | 100           | LR: Liberia                  |
| 100           | AR: Argentina            | 100           | LC: St. Lucia                |
| 100           | AG: Antigua and Barbuda  | 100           | LI: Liechtenstein            |
| 100           | AU: Australia            | 100           | LK: Sri Lanka                |
| 100           | AT: Austria              | 100           | LT: Lithuania                |
| 100           | BE: Belgium              | 100           | LU: Luxembourg               |
| 100           | BD: Bangladesh           | 100           | LV: Latvia                   |
| 85            | BG: Bulgaria             | 100           | MO: Macao                    |
| 100           | BH: Bahrain              | 100           | MA: Morocco                  |
| 100           | BS: Bahamas              | 100           | MC: Monaco                   |
| 100           | BZ: Belize               | 100           | MV: Maldives                 |
| 100           | BM: Bermuda              | 100           | MX: Mexico                   |
| 100           | BO: Bolivia              | 100           | MH: Marshall Islands         |
| 100           | BR: Brazil               | 100           | MK: Macedonia                |
| 100           | BB: Barbados             | 85            | MT: Malta                    |
| 100           | BN: Brunei               | 100           | ME: Montenegro               |
| 100           | BW: Botswana             | 100           | MS: Montserrat               |
| 100           | CA: Canada               | 100           | MU: Mauritius                |
| 100           | CH: Switzerland          | 100           | MY: Malaysia                 |
| 100           | CL: Chile                | 100           | NG: Nigeria                  |
| 100           | CN: China                | 100           | NL: Netherlands              |
| 100           | CM: Cameroon             | 85            | NO: Norway                   |
| 100           | CK: Cook Islands         | 100           | NR: Nauru                    |
| 100           | CO: Colombia             | 80            | NZ: New Zealand              |
| 100           | CR: Costa Rica           | 100           | PK: Pakistan                 |
| 100           | CW: Netherlands Antilles | 100           | PA: Panama                   |
| 100           | KY: Cayman Islands       | 100           | PE: Peru                     |
| 90            | CY: Cyprus               | 100           | PH: Philippines              |
| 100           | CZ: Czechia              | 100           | PL: Poland                   |
| 100           | DE: Germany              | 100           | PR: Puerto Rico              |
| 100           | DM: Dominica             | 100           | PT: Portugal                 |
| 50            | DK: Denmark              | 100           | PY: Paraguay                 |
| 100           | DO: Dominican Republic   | 100           | QA: Qatar                    |
| 100           | DZ: Algeria              | 100           | RO: Romania                  |
| 5             | EC: Ecuador              | 100           | RU: Russia                   |
| 100           | EG: Egypt                | 100           | RW: Rwanda                   |
| 100           | ES: Spain                | 100           | SA: Saudi Arabia             |
| 10            | EE: Estonia              | 100           | SG: Singapore                |
| 100           | FI: Finland              | 100           | SV: El Salvador              |
| 100           | FR: France               | 100           | SM: San Marino               |
| 50            | GB: United Kingdom       | 100           | SK: Slovakia                 |
| 100           | GG: Guernsey             | 55            | SI: Slovenia                 |
| 100           | GH: Ghana                | 100           | SE: Sweden                   |
| 100           | GI: Gibraltar            | 100           | SC: Seychelles               |
| 100           | GM: Gambia               | 100           | TC: Turks and Caicos Islands |
| 100           | GR: Greece               | 100           | TH: Thailand                 |
| 100           | GD: Grenada              | 100           | TT: Trinidad and Tobago      |
| 100           | GT: Guatemala            | 100           | TN: Tunisia                  |
| 90            | HK: Hong Kong            | 100           | TR: Turkey                   |
| 100           | HR: Croatia              | 100           | TW: Taiwan                   |
| 100           | HU: Hungary              | 100           | TZ: Tanzania                 |
| 100           | ID: Indonesia            | 100           | UA: Ukraine                  |
| 100           | IM: Isle of Man          | 100           | UY: Uruguay                  |
| 100           | IN: India                | 100           | US: United States            |
| 10            | IE: Ireland              | 100           | VC: St. Vincent & Grenadines |
| 100           | IS: Iceland              | 100           | VE: Venezuela                |
| 100           | IL: Israel               | 100           | VG: British Virgin Islands   |
| 90            | IT: Italy                | 100           | VI: US Virgin Islands        |
| 90            | JE: Jersey               | 100           | VN: Vietnam                  |
| 100           | JO: Jordan               | 100           | VU: Vanuatu                  |
| 100           | JP: Japan                | 100           | WS: Samoa                    |
| 100           | KZ: Kazakhstan           | 100           | ZA: South Africa             |
| 100           | KE: Kenya                |               |                              |



**Table 6.3: Assessment Logic**

| Info_ID | Text_Info_ID  | Answers   | Valuation Secrecy Score   |
|---------|---|---|---|
| 470     | <b>LO Record:</b> Does the registration of domestic companies comprise legal owner's identity information?      | 0: No. Companies available without recorded legal ownership information; 2: All LO: Yes, all companies require recording of all legal owners.   | Integrated assessment of BO and LO as per assessment matrix in KFSI 6, Table 1 (see FSI-methodology or KFSI 6 paper). If all beneficial owners and all legal owners are always registered and updated with all details and made available for free and in open data format, 0 points of secrecy score. If not even legal owners are always registered, or incomplete, or not updated, or not made public against a cost of up to 10 EUR/GBP/USD, 100 points of secrecy score. Eight intermediate scores apply for partial compliance. |
| 472     | <b>LO Update:</b> Is the update of information on the identity of legal owners mandatory?                       | 0: No; 1: No, because bearer shares are available/circulating/not registered with a public authority (see below); 2: Yes.   |   |
| 486     | What information has to be registered for those legal owners who need to be named (above)?                      | 0: Only the names are always registered; 1: Only names and countries of residence are always registered; 2: All names plus countries of residence plus either addresses or TINs or birthdates, passport or personal IDs are always registered.  |   |
| 471     | <b>BO Record:</b> Does the registration of domestic companies comprise beneficial owner's identity information? | 0: No. Companies available without recorded beneficial ownership information; 1: Yes, more than 25%. All companies require recording of all beneficial owners at threshold of more than 25% (FATF); 2: Yes, 10%-25%: All companies require recording of all beneficial owners at threshold of more than 10%, up to 25%; 3: Yes, up to 10%. All companies require recording of all beneficial owners at threshold of more than any share/influence, up to 10%; 4: Yes all. All companies require recording of every single natural person with any share/influence ('beneficial owner'). |   |
| 473     | <b>BO Update:</b> Is the update of information on the identity of   | 0: No; 1: No, because bearer shares are available/circulating/not   |   |
|         |   |   |   |

|            |   |  |
|------------|---|--|
|            | beneficial owners mandatory?  | registered with a public authority (see below); 2: Yes.  |
| <b>485</b> | What information has to be registered for those beneficial owners who need to be named (above)?               | 0: Only the names are always registered; 1: Only names and countries of residence are always registered; 2: All names plus countries of residence plus either addresses or TINs or birthdates, passport or personal IDs are always registered.   |
| <b>475</b> | <b>LO Online:</b> Are companies' legal owners available on a public online record (up to 10 €/US\$/GBP)?      | 0: No, information on legal owners is not always available online (up to 10 EUR/GBP/USD); 1: COST: Yes, legal ownership is always available but only at a cost of up to 10 EUR/GBP/USD; 2: FREE: Yes, legal ownership is always available for free, but not in open data format; 3: OPEN: Yes, legal ownership is always available for free & in open data format.         |
| <b>474</b> | <b>BO Online:</b> Are companies' beneficial owners available on a public online record (up to 10 €/US\$/GBP)? | 0: No, beneficial ownership is not always available online (up to 10 EUR/GBP/USD); 1: COST: Yes, beneficial ownership is always available but only at a cost of up to 10 EUR/GBP/USD; 2: FREE: Yes, beneficial ownership is always available for free, but not in open data format; 3: OPEN: Yes, beneficial ownership is always available for free & in open data format. |

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<sup>1</sup> We believe this is a reasonable criterion given a) the prevalence of the internet in 2019, b) as international financial flows are now completely relying on the use of modern technology, it would be an omission not to use that technology to make information available worldwide especially as c) the people affected by these cross border financial flows are likely to be in many jurisdictions, and hence *need* information to be on the internet to get hold of it. This criterion is informed by the open data movement according to which all available company registry information, including accounts, should be made available, for free, in open and machine-readable format. For more information about this see OpenCorporates, 'The Open Database of the Corporate World' <<https://opencorporates.com/>> [accessed 29 January 2020].

<sup>2</sup> FATF defines beneficial owners as the "natural person(s) who ultimately owns or controls a customer and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement." See Financial Action Task Force, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation - the FATF Recommendations*, 2012, 113 <<http://www.fatf-gafi.org/topics/fatfrecommendations/documents/internationalstandardsoncombatingmoneylaundryingandthefinancingofterrorismproliferation-thefatfrecommendations.html>>.

<sup>3</sup> Both the recommendations of the international anti-money laundering agency Financial Action Task Force (FATF) and the 4th Anti-Money Laundering Directive of the European Union apply a minimum floor of control or ownership of 'more than 25%' of the company in the definition of a beneficial owner (BO) of a company. Under these rules, a natural person who directly or indirectly owns or controls 25% or less of a company's shares would not be identified as BO. Four members of one family suffice to frustrate this BO registration threshold if each held 25% of the shares. See [KFSI 3](#) or the note above for further details: <http://www.financialsecrecyindex.com/PDF/3-Recorded-Company-Ownership.pdf>; 22.12.2019.

<sup>4</sup> See note above.

<sup>5</sup> These innovative ways to exploit the data are both widespread in the open data community and would greatly increase the likelihood of identifying illicit activity hidden behind corporate vehicles. For more information about this see OpenCorporates, 'The Open Database of the Corporate World'.

<sup>6</sup> We consider that for something to be truly 'on public record' prohibitive cost constraints must not exist, be they financial or in terms of time lost or unnecessary inconvenience caused.

<sup>7</sup> OpenCorporates, 'The Open Database of the Corporate World - Registers' <[https://opencorporates.com/registers?all\\_registers=true](https://opencorporates.com/registers?all_registers=true)> [accessed 29 January 2020].

<sup>8</sup> For six principles of open data, please consult <https://opendatacharter.net/>; 22.12.2019

<sup>9</sup> <http://www.financialsecrecyindex.com/PDF/3-Recorded-Company-Ownership.pdf>.

<sup>10</sup> OpenCorporates, 'The Open Database of the Corporate World - Registers'.

<sup>11</sup> The term "weakest link" research principle is used synonymously with "lowest common denominator" approach. During the assessment of a jurisdiction's legal framework, the review of different types of legal entities each with different transparency levels might be necessary within one indicator. For example, to ascertain the secrecy score, a choice between two or more types of companies might have to be taken. In such a case, we choose the least transparent option available in the jurisdiction. This least transparent option will determine the indicator's secrecy score.

<sup>12</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018L0843;> 20.1.2020.

<sup>13</sup> Ibid.

<sup>14</sup> For example, consider these websites:

[https://www.globalwitness.org/en/campaigns/corruption-and-money-laundering/anonymous-company-owners/;](https://www.globalwitness.org/en/campaigns/corruption-and-money-laundering/anonymous-company-owners/)

[https://www.globalwitness.org/en/blog/what-does-uk-beneficial-ownership-data-show-us/;](https://www.globalwitness.org/en/blog/what-does-uk-beneficial-ownership-data-show-us/) [https://www.opengovpartnership.org/es/stories/germany-do-not-let-personal-security-be-the-bait-and-switch-for-public-accountability/;](https://www.opengovpartnership.org/es/stories/germany-do-not-let-personal-security-be-the-bait-and-switch-for-public-accountability/) 22.12.2019.

Furthermore, these studies provide further detail: Global Witness, *Chancing It- How Secret Company Ownership Is a Risk to Investors*, 2016

<[https://financialtransparency.org/wp-content/uploads/2016/09/04\\_Investors\\_report\\_AW\\_med\\_withlinks.pdf](https://financialtransparency.org/wp-content/uploads/2016/09/04_Investors_report_AW_med_withlinks.pdf)>..

Global Witness, *Poverty, Corruption and Anonymous Companies: How Hidden Company Ownership Fuels Corruption and Hinders the Fight against Poverty.*, 2014

<[https://www.globalwitness.org/documents/13071/anonymous\\_companies\\_03\\_2014.pdf](https://www.globalwitness.org/documents/13071/anonymous_companies_03_2014.pdf)> [accessed 23 February 2017]. The B Team, *Ending Anonymous Companies: Tackling Corruption and Promoting Stability Through Beneficial Ownership Transparency. The Business Case*, 2015

<<https://drive.google.com/uc?export=download&id=0BwNjrEEVS8DiRi1oa19MQmtNMVt>> [accessed 23 February 2017]. Global Witness, *Mystery on Baker Street. Brutal Kazakh Official Linked to £147m London Property Empire*, July 2015

<[https://www.globalwitness.org/documents/18036/Mystery\\_on\\_baker\\_street\\_for\\_digital\\_use\\_FINAL.pdf](https://www.globalwitness.org/documents/18036/Mystery_on_baker_street_for_digital_use_FINAL.pdf)> [accessed 28 January 2020]. Knobel, Andres and Meinzer, Markus, 'Drilling down to the Real Owners – Part 1. More than 25% of Ownership' & "Unidentified" Beneficial Ownership: Amendments Needed in FATF's Recommendations and in EU's AML Directive' (2016)

<[http://www.taxjustice.net/wp-content/uploads/2013/04/TJN2016\\_BO-EUAMLD-FATF-Part1.pdf](http://www.taxjustice.net/wp-content/uploads/2013/04/TJN2016_BO-EUAMLD-FATF-Part1.pdf)> [accessed 27 January 2020]. Knobel, Andres and Meinzer, Markus, 'Drilling down to the Real Owners – Part 2. Don't Forget the Trust: Amendments Needed in FATF's Recommendations and in EU's AML Directive' (2016) <[http://www.taxjustice.net/wp-content/uploads/2016/06/TJN2016\\_BO-EUAMLD-FATF-Part2-Trusts.pdf](http://www.taxjustice.net/wp-content/uploads/2016/06/TJN2016_BO-EUAMLD-FATF-Part2-Trusts.pdf)> [accessed 22 January 2020].

<sup>15</sup> [https://panamapapers.icij.org/;](https://panamapapers.icij.org/) 28.8.2017. James O'Donovan, Hannes F. Wagner and Stefan Zeume, 'The Value of Offshore Secrets Evidence from the Panama Papers', *SSRN Electronic Journal*, 2016

<<https://www.ssrn.com/abstract=2771095>> [accessed 18 December 2018].

<sup>16</sup> [http://panamapapers.sueddeutsche.de/articles/5718f882a1bb8d3c3495bcc7/;](http://panamapapers.sueddeutsche.de/articles/5718f882a1bb8d3c3495bcc7/) 22.12.2019.

<sup>17</sup> [http://www.taxjustice.net/2017/03/07/good-news-slovakia/;](http://www.taxjustice.net/2017/03/07/good-news-slovakia/) 22.12.2019.

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<sup>18</sup> Emile Van der Does de Willebois and others, *The Puppet Masters. How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It*, 2011 <<https://star.worldbank.org/sites/star/files/puppetmastersv1.pdf>> [accessed 27 January 2020].

<sup>19</sup> Kevin M. Stephenson and others, *Barriers to Asset Recovery. An Analysis of the Key Barriers and Recommendations for Action*, StAR - World Bank / UNODC (Washington, DC, 2011) <[http://www1.worldbank.org/finance/star\\_site/documents/barriers/barriers\\_to\\_asset\\_recovery.pdf](http://www1.worldbank.org/finance/star_site/documents/barriers/barriers_to_asset_recovery.pdf)> [accessed 6 December 2012].

<sup>20</sup> <https://www.independent.co.uk/news/business/hsbc-leaks-email-from-whistleblower-to-hmrc-proves-authorities-were-told-of-tax-evasion-10043456.html>; 22.12.2019

<sup>21</sup> <http://uncounted.org/2015/02/09/swissleaks-tax-transparency-accountability/>; 22.12.2019.

<sup>22</sup> <http://curia.europa.eu/jcms/upload/docs/application/pdf/2017-03/cp170027en.pdf>; 22.12.2019.

<sup>23</sup> <http://www.taxjustice.net/2017/05/18/germany-rejects-beneficial-ownership-transparency/>; 22.12.2019. See also <https://blog.opencorporates.com/2017/02/28/germany-do-not-let-personal-security-be-the-bait-and-switch-for-public-accountability/>; 22.12.2019.

<sup>24</sup> <http://curia.europa.eu/jcms/upload/docs/application/pdf/2017-03/cp170027en.pdf>; 22.12.2019.