

Secrecy Indicator 3: Recorded Company Ownership

What is measured?

This indicator assesses whether a jurisdiction requires all available types of companies to submit information on beneficial ownership and/or on legal ownership, upon incorporation to a governmental authority, and whether it requires this information to be updated upon subsequent transfers or issuance of shares (or upon any other event or action which changes beneficial/legal ownership information), regardless of whether or not this information is made available on public record. This indicator does not consider companies that are listed on a public stock exchange or that are considered “investment entities” by the OECD’s Global Forum because they are regulated by the financial supervisor.

The recorded beneficial owners must be the natural human beings who have the right to enjoy ownership or the rewards flowing from ownership of the entity, as prescribed by anti-money laundering standards.¹ For this purpose, trusts, foundations, partnerships, limited liability corporations and other variants of legal persons do not count as beneficial owners.

With the adoption of the 4th EU Directive on Anti-Money Laundering on May 20th, 2015 by the European Parliament,² all EU member states had to legislate for a central register of beneficial ownership by 26 June 2017. Since then, progress towards central registries of beneficial ownership has accelerated not only in the European Union;³ yet analyses have also revealed weaknesses, loopholes and slippery language as legislation is passed in more countries.⁴ The 4th EU Directive on Anti-Money Laundering was amended in 2018 (referred to as AMLD 5⁵) and requires EU member states to give public access to companies’ beneficial ownership information. Its last transposition date was set to 10 January 2020. However, public access to beneficial ownership information is assessed under SI 6⁶ and therefore is not considered for this indicator.

Because beneficial ownership registration is not yet ideal (even under domestic laws fully compliant with the FATF and the EU Directive it is easy for a company

not to have any beneficial owner at all and to identify the senior manager instead), it is important to know at least whether legal ownership is properly registered. Therefore, any meaningful company ownership assessment would need to take a holistic, comprehensive perspective. Instead of reviewing only beneficial ownership (BO) in isolation, we have created a combined indicator that takes into account nuances of beneficial ownership registration requirements and combines these with legal ownership (LO) registration requirements. The secrecy scoring matrix is shown in Table 1, with full details of the assessment logic given in Table 2.

Table 1. Secrecy Scoring Matrix: Secrecy Indicator 3

Regulation		Legal Ownership	
[Secrecy Score: 100 points = full secrecy; 0 points = full transparency]		Incomplete LO Secrecy score if not all legal owners are recorded for all types of limited companies and updated	Complete LO Secrecy score if for all companies all legal owners are recorded and updated (no bearer shares)
Beneficial Ownership (BO)	Incomplete BO Complete and updated beneficial ownership information is not always recorded, or unknown	100	90
	Complete BO @>25% Complete and updated beneficial ownership information is always recorded at a threshold of more than 25% (no bearer share risk)	75	65
	Complete BO @>10-25% Complete and updated beneficial ownership information is always recorded at a threshold of more than 10% up to 25% (no bearer share risk)	50	40
	Complete BO @>0-10% Complete and updated beneficial ownership information is always recorded at a threshold of more than 0% up to 10% (no bearer share risk)	25	15
	Complete BO @1 share% Complete and updated beneficial ownership information is always recorded for any share/influence (no bearer share risk).		0
	Senior Manager not as BO If there is a beneficial ownership registration law but no real BO was identified (eg no individual passed the applicable thresholds), the “senior manager” is not registered as if it was a real BO. Rather, the senior manager, if registered at all, is registered as a senior manager. If, however, there is no beneficial ownership registration, then the “senior manager clause is not considered.		25

Given that most beneficial ownership registration laws are recent and even the FATF standards on the BO definition may be contradictory,⁷ this indicator doesn't currently require a specific element to be present in the BO definition, but applies a reasonable test. If a definition appears reasonable, it is considered good enough. For example, this is the case if a jurisdiction requires every shareholder to be identified as a beneficial owner, even if the definition does not mention the term "control". By the same token, a definition that requires any person with 25% of the voting rights or right to appoint a Director or other means of control would be considered enough, even if there is no defined ownership threshold. On the other hand, if a jurisdiction has too high thresholds (eg more than 50% before an individual is considered a beneficial owner), or if there is no definition at all to determine who a beneficial owner is, or if the definition includes legal vehicles as beneficial owners, the definition would be considered unacceptable.

For ownership information to be considered updated, the relevant data should be required to be updated at least annually. Furthermore, bearer shares⁸ should not be available in the jurisdiction or, if available, there should be mechanisms to ensure that all existing bearer shares are immobilised or registered with a government authority (including a country's Central Securities Depository, if properly regulated)⁹.

For ownership information to be considered complete, it needs to comprise specific minimal elements. It should include:

1. the full names, and
2. full address, or a passport ID-number, or birthdates, or a Taxpayer Identification Number.

However, with respect to the completeness of the legal ownership details, we exceptionally gave jurisdictions the benefit of the doubt if we were unable to determine whether a jurisdiction requires the registration of complete ownership details. Thus, a lack of information on the completeness of legal ownership details was treated as if the details were complete for the purposes of the secrecy score. This exception to the "unknown is secrecy" principle is made mainly because the level of detail was not specified in most of the available current sources (such as the Global Forum peer reviews).

The null secrecy score (full transparency) applies only to the ideal transparency scenario where registration encompasses absolutely all natural persons who have at least one share in the company. However, secrecy scores can be reduced from a 100 points of secrecy score if jurisdictions have comprehensive beneficial ownership registration (eg covering all companies), but where the definition of beneficial ownership is triggered by thresholds of control/ownership higher than just one share (eg 25% of ownership).

A clean transposition of the 4th (or 5th) Anti-Money Laundering Directive into domestic law by EU member states would still result in a secrecy score of 65-75

points in this Secrecy Indicator (SI), because the Directive applies a minimum floor of control or ownership of “more than 25%” of the 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. In this instance, four members of one family could frustrate this BO registration threshold if each held 25% of the shares.¹⁰ The recommendations of the Financial Action Task Force (FATF) suffer from the same weakness.

Both the FATF’s recommendations and the EU’s 4th and 5th Anti-Money Laundering Directive provide for another problematic clause in the definition of BO. Under certain conditions it allows the “relevant natural person who holds the position of senior managing official” to be registered as a BO of a company¹¹. If a jurisdiction that has a law on beneficial ownership registration dispenses with a senior manager opt out clause, the quality of the BO data increases, resulting in a 25 points reduction of the secrecy score in this SI. In this better case, a company would at least disclose to have no BOs (which could raise alerts or red flags) or would disclose that the person being registered is merely the senior manager because no real BO was identified, instead of giving the appearance that the company has a regular BO, who is in reality the senior manager.

This indicator is mainly informed by five different types of sources. First, the Global Forum peer reviews¹² have been analysed to find out what sort of ownership information companies must register with a government agency. An important distinction is made between beneficial ownership information which refers to the natural persons who ultimately own the company, on the one hand, and legal ownership which “refers to the registered owner of the share, which may be an individual, but also a nominee, a trust or a company, etc.”¹³ A governmental authority is defined so as to include “corporate registries, regulatory authorities, tax authorities and authorities to which publicly traded companies report”¹⁴ and is used interchangeably here with “government agency” or “public institution”.

Second, where doubts or data gaps existed, and to the extent this was possible, we have directly analysed domestic legislation that implements beneficial ownership registration. Given that many countries in and outside the EU¹⁵ have started to regulate beneficial ownership registration and these new laws have not yet been assessed by either the Global Forum or the FATF, the Financial Secrecy Index team has assessed the laws directly, to the extent capacity and language permitted, and has relied on comments by local experts. It is possible that these assessments may change after the Global Forum or FATF conduct an in-depth review of these new laws.

The third type of source used was private sector websites (Lowtax.net, etc.), the fourth, Financial Action Task Force (FATF) peer reviews¹⁶, and the fifth, the results of the TJN-Survey 2021 (or earlier).¹⁷

SI 3 resembles SI 6 relating to Transparency of Company Ownership.¹⁸ However, SI 3 assesses only whether complete and updated beneficial and legal information needs to be recorded at a government agency.

Why is this important?

Absence of reliable and comprehensive ownership information obstructs law enforcement and creates a criminogenic environment, as illustrated powerfully by the Panama Papers. In essence, these revelations provided proof about the identities of beneficial owners of otherwise anonymous shell companies. The common thread in the Panama Papers was secrecy, enabling perpetrators to launder illicit proceeds of corruption, tax evasion, drugs trafficking and much more. They depend on secrecy, very often through using shell companies, trusts and foundations available in most countries worldwide. Intermediaries such as lawyers, notaries, family offices and banks help create and handle those structures. But Panama or the British Virgin Islands are not the only problematic jurisdictions.

When a jurisdiction, such as the US state of Wyoming,¹⁹ allows private companies to be formed without recording beneficial ownership information, the scope for domestic and foreign law enforcement agencies to look behind the corporate veil²⁰ is very restricted.

These so-called ‘shell companies’ are nothing more than letterboxes serving as conduits for financial flows in many different guises. Non-resident persons (both natural and legal) can use a shell company to shift money illicitly while claiming to their domestic government authorities that they have no ownership interest in the company. For example, the proceeds of bribery and corruption can be hidden and transferred via shell companies. The World Bank reported in 2011:

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.²¹

For illustrative purposes, two examples are provided below.

On March 1, 2010, BAE Systems plc. (BAE) was ordered to pay a US\$400 million criminal fine following its admission of guilt, among others, of conspiracy to defraud the United States and to making false statements about its Foreign Corrupt Practices Act (FCPA) compliance programme.²² BAE’s conspiracy involved the use of offshore shell companies - most of which were owned by BAE - to conceal the role of intermediaries it had hired to assist in promoting Saudi Arabian fighter deals. One of the shell companies used by BAE was incorporated in the British Virgin Islands (BVI), where incorporation of a legal entity did not require disclosure of the physical location of the place of business nor the legal and beneficial ownership information.²³

According to the United States District Court, for reasons related to its business interests BAE gave the US authorities inadequate information related to the identity and work of its advisers and at times avoided communicating with its advisers in writing. Furthermore, the contracts and other relevant materials related to the intermediaries were maintained by secretive legal trusts in offshore locations.²⁴ The use of shell entities allowed BAE to conceal the stream of payments to these agents and to circumvent laws in countries that did not allow agency relationships. It also hindered the ability of authorities to detect the schemes and trace the money.²⁵

Another example is the case of Haiti's state-owned national telecommunications company ('Haiti Teleco'), which used corporate vehicles to accept bribes and launder funds. Bribes were paid to Haiti Teleco's officials, including the director of Haiti Teleco, by representatives of three international telecommunications companies, based in the US, with which Haiti Teleco contracted. In exchange, Haiti Teleco's officials provided these companies commercial advantages (eg preferential and reduced telecommunications rates), at the expense of Haiti Teleco's revenue. The representatives systematically used intermediary shell companies to funnel wire transfers and cheque payments for fake consulting services that were never rendered. The use of shell companies as intermediaries concealed the names of the individual bribe-givers and bribe-takers as direct counterparties in any transactions transferring bribe money.²⁶

With respect to tax evasion, consider this hypothetical example: suppose that a Kenyan national, normally resident in Nairobi, claims that a Wyoming registered company delivers consultancy services to his Kenyan business and the Wyoming company charges US\$1,000 a month for these services. As a consequence, the Kenyan national pays US\$1,000 every month to the Wyoming company and claims that a) he is no longer in possession of these funds since he paid them to a foreign company for services supplied, and b) that the US\$1,000 paid monthly is a business expense that he may off-set against his income in his next tax return.

In reality, however, the Wyoming company is a shell owned and controlled by the Kenyan national. While the Kenyan tax authority might have a suspicion that these fund transfers are for illicit purposes, such as tax evasion, in the absence of registered ownership information the only way for the Kenyan tax authority to confirm its suspicions may be, under certain conditions, to contact its US counterpart.

The US tax authority in turn cannot readily access the required data on behalf of the Kenyan authorities if the ownership information is not registered. In order to find out it could undertake the lengthy exercise of going through the judicial system to summon the registered company agent in Wyoming. But the due process necessary may take months to initiate and even then, a possible outcome is that the required beneficial ownership information is unavailable in the USA and is held in a third country. That third country may, of course, be a secrecy

jurisdiction where a trust has been placed into the ownership structure for exactly this reason.

Faced with such time consuming and expensive obstacles to obtaining correct information on beneficial ownership of offshore companies, most national authorities seldom, if ever, pursue investigations.

Although major improvements in the area of beneficial ownership registration took place in the last decade, there is still much to be improved. The Pandora Papers, a massive leak which involved 14 offshore service providers, clearly captures the ambivalence of the progress that took place in the last decade. On the one hand, the ICIJ remarked that the files from this leak stand out in the fact that more beneficial owners are identified - due to the implementation of the Beneficial Ownership register of the British Virgin Islands.²⁷ However, the leak also shows several high-profile individuals involved in scandals and, particularly, it highlighted how offshore companies are being used to purchase real estate while avoiding taxes and maintaining the owners anonymity.²⁸ And, even if some of the information disclosed points to activities which are not illegal, it nonetheless stresses how the current status quo is still an “ATM for the rich and powerful”.²⁹

In addition, beneficial ownership registration alone is no guarantee for law enforcement to be able to find ownership data. Even if a jurisdiction’s laws require the recording of beneficial owners controlling more than 25% of interest in a company, not a single beneficial owner might be recorded if four or more natural persons are jointly colluding to control the entity. This is well illustrated by Open Lux, an investigation conducted by Le Monde and 17 other media outlets. The investigation scrapped data from Luxembourg’s public beneficial ownership register, and found that for almost a third of the companies for which information was available, the senior manager was registered as the ultimate beneficial owner, a number that rose to 80% for the investment industry.³⁰ This indicates that under current definition, almost a third of companies are exempt from registering their beneficial owners due to their shareholding structure.

Four years after the AMLD 5 was implemented, the EU commission and parliament is currently discussing the AML Package, presented in July 2021, which is a proposal for amending the AML Directive and the Regulation.³¹ We have already presented a list of areas that would need to be fixed to close the loopholes in this framework.³² This is a key opportunity to fix the scope of registration and improve the definition of beneficial owner.

If the same jurisdiction’s laws fail to require registering the legal owners of that company, law enforcement might end up without any lead to follow for investigating that company. No ownership information whatsoever would be available in such a case. Therefore, a jurisdiction requiring all legal owners to register increases the chances of successfully investigating wrongdoers, and thus enhances accountability.

All underlying data, including the sources we use for each jurisdiction, can be viewed in the **country profiles** on the **Financial Secrecy Index** website.

Table 2. Assessment Logic: Secrecy Indicator 3 - Recorded Company Ownership

ID	ID description	Answers	Valuation Secrecy Score
470	LO Record: 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 Table 1. If all beneficial owners are always registered and updated with all details at the 1 share level, zero secrecy score. If not even legal owners are always registered, or incomplete, or not updated, 100 secrecy score. Seven intermediate scores for partial compliance. Absence of a senior manager clause in the definition of the beneficial owner results in a reduction of 0.25 of the secrecy score.
472	LO Update: 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, or incorporation numbers are always registered.	
471	BO Record: 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	BO Update: Is the update of information on the identity of beneficial owners mandatory?	0: No; 1: No, because bearer shares are available/circulating/not registered with a public authority (see below); 2: Yes.	

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ID	ID description	Answers	Valuation Secrecy Score
485	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.	
388	Can a senior manager ever be registered as a beneficial owner (because no individual passed the threshold to be considered a beneficial owner)?	0: Yes, a senior manager may be registered as a beneficial owner, making it impossible to distinguish him/her from a real beneficial owner; 1: No, even if the senior manager is registered (because no individual passed the threshold to be considered a beneficial owner), he/she is registered as such, but not as an ordinary 'beneficial owner'; 2: No, if no individual has passed the threshold to be considered a beneficial owner, then the top 10 owners have to be identified as beneficial owners, or the company is struck off the registry.	

Results Overview

Figure 1. Recorded Company Ownership: Secrecy Score Overview

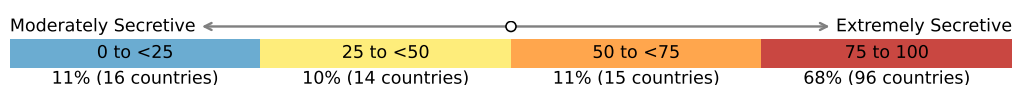


Figure 2. Company Legal Ownership Registration Overview

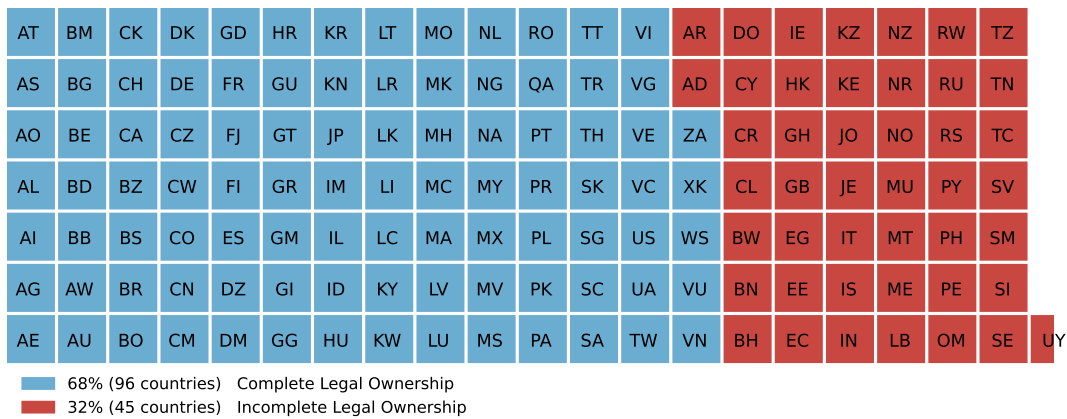
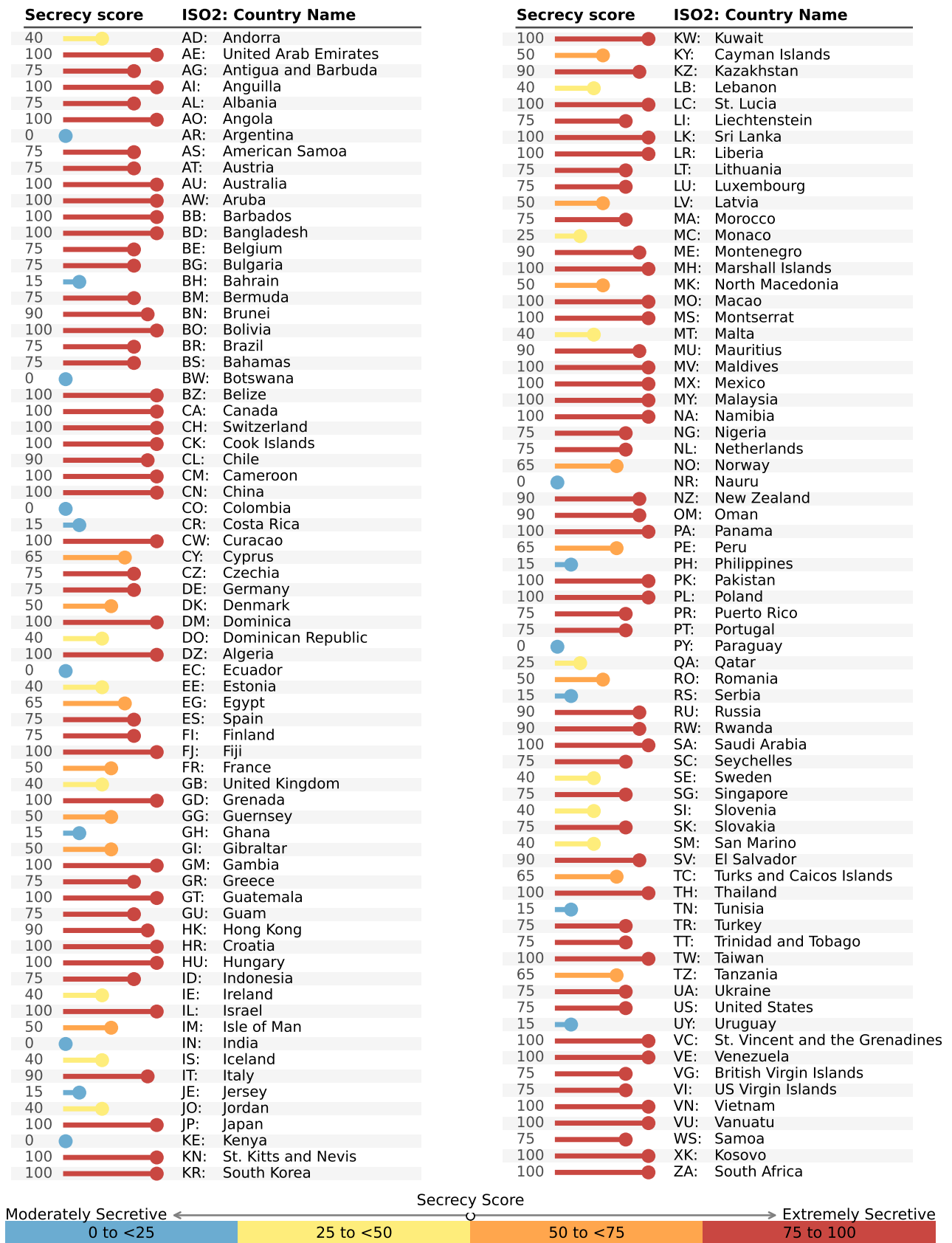


Figure 3. Can a senior manager ever be registered as a beneficial owner (because no individual passed the threshold to be considered a beneficial owner)?



Figure 4. Recorded Company Ownership: Secrecy Scores



Endnotes

1. 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.”³³
2. *Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the Prevention of the Use of the Financial System for the Purposes of Money Laundering or Terrorist Financing, Amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and Repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (Text with EEA Relevance)*. June 2015. URL: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32015L0849> (visited on 02/05/2022), Articles 30, 67.
3. Moran Harari et al. *Ownership Registration of Different Types of Legal Structures from an International Comparative Perspective: State of Play of Beneficial Ownership - Update 2020*. Tax Justice Network, June 2020. URL: <https://www.taxjustice.net/wp-content/uploads/2020/06/State-of-play-of-beneficial-ownership-Update-2020-Tax-Justice-Network.pdf> (visited on 03/05/2022).
4. Markus Meinzer. *Germany Rejects Beneficial Ownership Transparency*. 2017. URL: <https://www.taxjustice.net/2017/05/18/germany-rejects-beneficial-ownership-transparency/> (visited on 03/05/2022); Markus Meinzer. *Stellungnahme von Netzwerk Steuergerechtigkeit Deutschland Und Tax Justice Network Zum Antrag Der Fraktion Der SPD Und Der Fraktion BÜNDNIS 90/DIE GRÜNEN (Drucksache 16/13997) "Nordrhein-Westfalen Für Steuergerechtigkeit! Steuerkriminalität Bekämpfen – Steuergerechtigkeit Herstellen – Gesellschaftlichen Zusammenhalt Fördern"*. 2017. URL: <https://netzwerksteuergerechtigkeit.files.wordpress.com/2016/06/tjn-nwsg2017-stellungnahme-antrag-nrw.pdf> (visited on 06/05/2022).
5. *Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 Amending Directive (EU) 2015/849 on the Prevention of the Use of the Financial System for the Purposes of Money Laundering or Terrorist Financing, and Amending Directives 2009/138/EC and 2013/36/EU (Text with EEA Relevance)*. May 2018. URL: <http://data.europa.eu/eli/dir/2018/843/oj/eng> (visited on 05/04/2022).
6. Tax Justice Network. *Secrecy Indicator 6: Transparency of Company Ownership*. Tax Justice Network, 2022. URL: <https://fsi.taxjustice.net/fsi2022/KFSI-6.pdf>.
7. Andres Knobel. *Not Just about Control: One Share in a Company Should Be Enough to Be a Beneficial Owner*. Oct. 2019. URL: <https://www.taxjustice.net/2019/10/02/not-just-about-control-one-share-in-company-should-be-enough-beneficial-owner/> (visited on 03/05/2022).

8. Bearer shares are shares which are not registered, where the owner can be any person physically holding the share certificate and the transferring of the ownership involves only delivering the physical certificate.
9. We consider that the obligation to register bearer shares exists when legal provisions establish a timeframe for immobilisation/registration of all existing bearer shares before the next publication of the Financial Secrecy Index and where the consequence for non-compliance is the loss of those shares. Provisions where the only consequence of non-compliance is the loss of voting rights or rights to dividends are not considered to be sufficient because this would involve the mere suspensions of rights. In such case, the holders of bearer shares may still transfer those shares or avoid identification until they intend to regain their rights. The same applies if there is no deadline to immobilise bearer shares, or where after the deadline holders of bearer shares are still allowed to recover their shares or rights after applying to a court or disclosing their names to the company. This is treated as an unacceptable suspension of rights, rather than the cancellation that this indicator requires.
10. For full details, please read.³⁴
11. .³⁵ See more details in the section below
12. The Global Forum peer reviews refer to the peer review reports and supplementary reports published by the Global Forum on Transparency and Exchange of Information for Tax Purposes. They can be viewed at:³⁶
13. OECD. *Tax Co-operation 2010: Towards a Level Playing Field*. Text. Paris, 2010. URL: https://www.oecd-ilibrary.org/taxation/tax-co-operation-2010_taxcoop-2010-en (visited on 06/05/2022).
14. OECD, *Tax Co-operation 2010*.
15. As for the situation in the EU, we have reviewed the 4th and 5th EU Directives on Anti-Money Laundering and, to the extent possible, corresponding implementing legislation of EU member states. While in the Financial Secrecy Index 2013 no jurisdiction was considered to have any beneficial ownership registration, this has changed in the subsequent editions of the Financial Secrecy Index (2015, 2018, 2020 and 2022). The said directives entail minimum standards for the registration of adequate, accurate and current information on the beneficial owners of corporates and other legal entities. The definition of “beneficial owner” under the Directive, however, is subject to a threshold of more than 25% ownership rights. In line with various other international developments, we consider this threshold to be too high and therefore only provide a partial reduction of the secrecy score if this threshold is implemented. For examples of jurisdictions which went beyond the basic standard, see our³⁷
16. The FATF consolidated its 49 (40 plus 9 special) recommendations to a total of 40 in 2012 (the “new recommendations”). We used the latest available report for our analysis.
17. Tax Justice Network. *TJN Survey*. 2021. URL: <http://fsi.taxjustice.net/fsi2022/TJN-Survey-2021.pdf> (visited on 11/05/2022).
18. Tax Justice Network, *Secrecy Indicator 6: Transparency of Company Ownership*.
19. Financial Action Task Force. *Third Mutual Evaluation Report on Anti-Money Laundering and Combating the Financing of Terrorism - United States Of America*. June 2006. URL: <http://www.fatf-gafi.org/media/fatf/documents/reports/mer/MER%20US%20full.pdf> (visited on 03/05/2022); The Economist.

- 'Undeclared Beneficial Ownership - Licence to Loot' (Sept. 2011). URL: <https://www.economist.com/international/2011/09/17/licence-to-loot> (visited on 08/05/2022), p. 236.
20. OECD. *Behind the Corporate Veil: Using Corporate Entities for Illicit Purposes*. 2001. URL: <http://www.oecd.org/daf/ca/43703185.pdf> (visited on 06/05/2022).
21. Emile Van der Does de Willebois et al. *The Puppet Masters. How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It*. 2011. URL: <https://star.worldbank.org/sites/star/files/puppetmastersv1.pdf> (visited on 08/05/2022), pp.20, 34.
22. US Department of Justice. *BAE Systems Plc Pleads Guilty and Ordered to Pay \$400 Million Criminal Fine*. Mar. 2010. URL: <https://www.justice.gov/opa/pr/bae-systems-plc-pleads-guilty-and-ordered-pay-400-million-criminal-fine> (visited on 08/05/2022).
23. British Virgin Islands. *BVI Business Companies Act 2004*. Sections 9(1) and 41(1)(d).
24. US Department of Justice. *USA v. BAE Systems Plc - Information*. URL: <https://www.justice.gov/sites/default/files/criminal-fraud/legacy/2011/02/16/02-01-10baesystems-info.pdf> (visited on 08/05/2022).
25. Van der Does de Willebois et al., *The Puppet Masters. How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It*, pp.198-202.
26. ³⁸ According to the US Department of Justice, in 2010, following the admission of guilt to money laundering conspiracy by Haiti Teleco's director, he was sentenced to four years in prison and was ordered to pay US\$1,852,209 in restitution and to forfeit US\$1,580,771. Additional individuals involved in the bribery scheme were also sentenced to prison terms and were ordered to pay high monetary fines as a result of their convictions. As of July 2012, additional indictments were made against new defendants involved in the scheme.³⁹ - See also.⁴⁰
27. ICIJ. *Pandora Papers: An Offshore Data Tsunami - ICIJ*. Oct. 2021. URL: <https://www.icij.org/investigations/pandora-papers/about-pandora-papers-leak-dataset/> (visited on 14/04/2022).
28. ICIJ. *Secret Real Estate Purchases Are a Driving Force behind the Offshore Economy*. Nov. 2021. URL: <https://www.icij.org/investigations/pandora-papers/secret-real-estate-purchases-are-a-driving-force-behind-the-offshore-economy/> (visited on 14/04/2022).
29. Tax Justice Network. *Pandora Papers: "Global Tax System an ATM for Rich and Powerful"*. 2021. URL: <https://taxjustice.net/press/pandora-papers-global-tax-system-an-atm-for-rich-and-powerful/> (visited on 14/04/2022).
30. Antonio Baquero et al. *Shedding Light on Big Secrets in Tiny Luxembourg*. 2020. URL: <https://www.occrp.org/en/openlux/shedding-light-on-big-secrets-in-tiny-luxembourg> (visited on 20/04/2022).
31. European Commission. *Anti-Money Laundering and Countering the Financing of Terrorism Legislative Package*. Text. URL: https://ec.europa.eu/info/publications/210720-anti-money-laundering-countering-financing-terrorism_en (visited on 12/04/2022).
32. Andres Knobel. *How to Improve the EU's Anti-Money Laundering (AML) Package on Beneficial Ownership Registration*. Mar. 2022. URL: <https://taxjustice.net/2022/03/21/how-to-improve-the-eus-anti-money-laundering-aml-package-on-beneficial-ownership-registration/> (visited on 20/04/2022).

33. Financial Action Task Force. *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation. The FATF Recommendations (2012 - Updated 2022)*. Paris, Mar. 2022. URL: <https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf> (visited on 15/04/2022), p. 119.
34. Andres Knobel and Markus Meinzer. *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*. Tax Justice Network, May 2016. URL: http://www.taxjustice.net/wp-content/uploads/2013/04/TJN2016_BO-EUAMLDFATF-Part1.pdf (visited on 02/05/2022).
35. Financial Action Task Force, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation. The FATF Recommendations (2012 - Updated 2022)*, 66, 10.C.5.b.i.iii.
36. OECD. *Global Forum on Transparency and Exchange of Information for Tax Purposes: Peer Reviews*. Text. URL: https://www.oecd-ilibrary.org/taxation/global-forum-on-transparency-and-exchange-of-information-for-tax-purposes-peer-reviews_2219469x (visited on 05/04/2022).
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