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THE CONCEALED BENEFICIARIES BEHIND FICTIONAL CHARACTERS

2020

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The research was prepared within the grant for Good Governance for Georgia project from the global philanthropic organization, Luminate. The Institute for Development of Freedom of Information (IDFI) is responsible for the content of this document. Views expressed in therein do not reflect the position of Luminate.

THE CONCEALED BENEFICIARIES BEHIND FICTIONAL CHARACTERS

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2020

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OVERVIEW

Beneficial ownership has become one of the most hotly debated topics globally. Governments, as well as international and civil society actors, are trying hard to implement new regulations tackling problems associated with beneficial ownership. It is worth mentioning that the interest towards beneficial ownership has risen because companies are often mired in corruption, especially with high level of corruption when current or previous government officials conceal their true identities in companies that are registered overseas in order to conduct business by using illegitimate financial resources.

On one hand, beneficial and nominal ownership are normal trends in economic and business relations, especially in securities markets. Hiding the real owners, however, has often become problematic in various spheres of a state's economic and judicial life, most importantly in procurement, extractive industries, large businesses, and foreign investments. Individuals who have acquired large financial assets via corruption and other illegal means often use various schemes common in beneficial ownership structures to hide their identities in order to execute money laundering activities. Consequently, it is vital to strengthen the measures for increasing transparency of beneficial ownership and for revealing the real characters behind nominal owners.

Countries have created different tools for fighting the problems associated with beneficial ownership. The analysis below shows that the most widespread and effective tool is the establishment of public registries, where interested stakeholders can see the real owners of the companies in question. At the same time, there are other measures that can enhance the reliability of these registries and increase the trustworthiness of the information provided about the companies. Various states and international and civil organizations have created several mechanisms that positively affect the transparency of beneficial ownership of companies. These mechanisms are briefly discussed in the document below.

It should be underlined that keeping beneficial owners out of sight is a severe problem for developing economies. The 1990's was a difficult time for the post-socialist world. The transformation of the economy and state institutions was accompanied by many cases of corruption and abuse of power by the authorities. Therefore, the money acquired because of illegal deeds can and has been used to promote a particular political or business agenda. Georgia is one of the examples that went through a turbulent period in the '90s, but later, after 2003, implemented swift reforms against corruption. Unfortunately, the situation regarding beneficial ownership remained largely the same, with no transparency requirements in place. Though Georgia became a member of the Open Governance Partnership and pushed for more transparency, the government largely ignored the recommendations of non-governmental organizations and, particularly, of the Institute for Development of Freedom of Information (IDFI), for creating a registry of beneficial ownership. It should be noted that the Government of Georgia took the obligation to consider creating such a registry in 2016, during the Anti-corruption Summit in London, but never fulfilled it. Additionally, on the Anti-corruption Summit, Georgia undertook the following commitments: ensure that law enforcement agencies have access to information about the beneficial owners of offshore companies; sign bilateral agreements with partner countries for the purpose of exchanging this information; take necessary steps in order to ensure the transparency of ownership of companies taking part in public procurement; form public-private information sharing partnerships aimed at detecting, preventing and disrupting money laundering.¹ Though, overall, one could argue that **Georgia** has implemented positive measures aimed at the fulfilment of the obligations undertaken at the Anti-corruption Summit in London, **it failed to execute any significant actions in achieving the transparency of beneficial ownership.** Therefore, the problems in the sphere of beneficial ownership still remain.

Together with OGP and other international initiatives and organizations, another actor that highlights the importance of transparency in beneficial ownership is the Extractive Industries Transparency Initiative (EITI). Despite years of active advocacy by the CSOs in Georgia, much like in the case of OGP, the Government of Georgia refused to endorse the principles of EITI that would have led to eventual openness of the information on beneficial owners.² In almost all countries, including in Georgia, there are several important sectors where beneficial ownership structures are more widespread, such as public procurement and extractive industries. In the case of extractive industries, it directly and

¹ Georgia at the London Anti-Corruption Summit, IDFI, 2016, available at: <https://idfi.ge/en/georgia-at-london-anti-corruption-summit>.

² IDFI's Recommendations for the 2021-2022 Open Government Action Plan, IDFI, 2020, p 3, available at: <https://idfi.ge/public/upload/OGP/translation-IDFI-OGP-Commitments-gov-eng.pdf>.

negatively affects the environment and the rights of local communities. In public procurement, public funds can be used to enrich affiliate companies of the ruling political parties and/or members of the government. Transparency has crucial importance for effective and efficient functioning of state bodies and for the prevention of corruption and money laundering. Activities in public procurement and extractive industries can have vital effects on areas like infrastructure, social and economic sectors, preservation of cultural sites and distribution of exploits of natural resources.

The aim of this policy brief is to analyze the definition and structure of beneficial ownership, underline problems associated with beneficial ownership and their causes, and present solutions based on international best practices that meet the challenges of this complicated topic. These solutions will be presented as recommendations for Georgia and other countries that wish to create a registry of beneficial ownership and provide more transparency in the sphere.

During the elaboration of this policy brief, authors actively used different sources, including policy documents of international actors, that will be analyzed below.



INTRODUCTION

The term **beneficial owner** includes two aspects: (1) that property rights belong to the beneficial owner (equitable owner), (2) while the legal title related to the property rights belongs to a nominal owner (legal owner). One of the most widespread examples of division of ownership title and property rights is seen among brokerage firms, where brokers invest clients' money in certain dealings, even as the final gains associated with the investment become the property of the beneficial owners, while nominal owners receive specific fees for their services.

Another example of beneficial ownership can be seen in the ownership of controlling number of shares in companies. For example, it is widely assumed that owning 51% in a closely held company is enough to have management rights, such as electing the directors, in the company, as well as for implementing certain property rights like selling the immovable property of the company and distributing dividends. In fact, when it comes to publicly held companies, where fluid aggregation of unaffiliated shareholders is a frequent occurrence, owning 15-20% is enough to have management and property rights.

The term "beneficial ownership" relates to the development of a trust law. "The defining characteristic of the beneficial owner of an asset is that he holds a degree of control over the asset that allows him to benefit from it. Whether he is the legal owner (that is, holds legal title to it) is irrelevant. The essence of beneficial ownership is precisely not ownership in the ordinary sense of the word—but rather control".³

But problems with beneficial ownership arise when the owners try to hide their identity and use certain legal mechanisms to avoid publicity. This mechanism should be distinguished from a shareholder registry, which is created by separate, independent entities hired by public companies. Even in this case, however, many legislations and stock exchanges guarantee transparency of the shareholders who own more than 5% of the shares. For the purposes of our policy brief, we are not interested in the transparency of shares comprising less than 5%, as it is widely accepted that this percentage does not constitute a controlling premium of the shares.

Problems with beneficial ownership are mostly associated with certain countries (offshore countries) where the legal environment gives owners of the companies an opportunity to conceal their identities. Unfortunately, many of these companies use such countries for money laundering, financing terrorism or hiding money acquired because of corruption. But at the same time, for the purposes of our document, we should separate such countries from tax havens. Usually in tax havens owners cannot hide their identity, or such countries cooperate in money laundering and fraud but also offer a zero tax policy or certain tax breaks, thereby offering advantageous tax policy to companies. Our research instead focuses on blacklisted offshore financial centers that help companies secure and conceal the identities of their owners.

In the past 15-20 years, various international actors, such as European Union (EU), Financial Action Task Force (FATF) and OECD (Organization for Economic Co-operation and Development), created black and grey lists of countries deemed to represent non-cooperative jurisdictions with lack of transparency. These jurisdictions have harmful tax practices, help companies avoid paying taxes, are not exchanging financial information with other countries, and can be used for money laundering. From 2017, EU adopted a black list of such countries that was renewed several times; as of 2020, this list contains the following states: American Samoa, the Cayman Islands, Fiji, Guam, Oman, Palau, Panama, Samoa, Seychelles, Trinidad and Tobago, the US Virgin Islands and Vanuatu.⁴

Together with blacklisted financial centers, there are also countries that are on grey lists, such as Jordan, Morocco, Thailand, etc.⁵ Most severe cases of concealing corruption and money laundering are associated with countries that are on a blacklist. For the purposes of our policy brief, however, we should focus particularly on the legal framework where beneficial ownership is hidden, as concealing the real owners becomes the chief cause of the abovementioned problems. Based on the analysis of beneficial ownership and discussion of its resulting problems, the policy brief will present solutions aimed at tackling problems of concealment of beneficial ownership.

³ The Puppet Masters – How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It, Willebois, D. E., et al. p. 19, World Bank, 2011, available at: <https://star.worldbank.org/sites/star/files/puppetmastersv1.pdf>.

⁴ Enache, R., Cayman Islands, Palau, Panama and Seychelles added to the EU list of non-cooperative jurisdictions, KPMG, 2020, available at: <https://home.kpmg/xx/en/home/insights/2020/02/etf-424-eu-blacklist-update.html>.

⁵ Id.

International organizations and initiatives try to identify problems associated with the concealment of the identities of real owners and provide certain mechanisms for resolving them. There are several important organizations in this regard, such as FATF, OGP, EITI, etc. FATF standards focus on anti-money laundering (AML) and combating the financing of terrorism (CFT). Ideally, states should follow FATF standards. Next, as international initiative, OGP fosters implementation of commitments taken by countries. These commitments often challenge the problems of corruption, transparency, extractive industries, and other fields where concealment of identity is rampant. Finally, EITI supports transparency of beneficial owners in extractive industries that adversely affect the environment and local communities.

Apart from international organizations and initiatives, there are also several countries that have championed the creation of legal and digital mechanisms for revealing beneficial owners. Thus, a brief analysis of their legal framework and activities will be interesting and reflect the full picture of combating the obfuscation of ownership.

This policy brief analyses the problems associated with certain countries, highlights the origins of such problems, identifies international best practices and elaborates recommendations for Georgia. Implementation of these recommendations can improve access to beneficial ownership data and reduce cases of corruption and money laundering.



ANALYSIS OF BENEFICIAL OWNERSHIP

Business entities are common to all countries. They operate across multiple industries and perform various commercial activities. Most countries have open registries that make it possible to access information on the final (beneficial) owners who ultimately own and control a company.

Most countries compete in simplifying the processes of establishing and reorganizing companies. This competition gives rise to legal environments that are attractive to investors. But at the same time, such legal frameworks also attract illegitimate businesses that are willing to establish new companies and invest money acquired from corrupt dealings into them. Later, these companies will become a basis for reinvesting money in other legal vehicles in different countries. Thus, legal environments can indirectly enable wrongdoers to launder the money and invest it in other illicit activities, such as financing terrorism or evading personal liabilities from business dealings that affect local communities, violate labor rights and negatively affect the environment.

According to FATF, “Beneficial owner refers to the natural person(s) who ultimately own or control 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”.⁶

The views of FATF on the definition of beneficial ownership is shared by OECD and the World Bank. OECD recommends that jurisdictions should adopt the same definition of beneficial ownership as the one established by FATF. The World Bank also endorses the definition of FATF on Beneficial Ownership.

We will break down the above definition into several parts and further elaborate on a number of its features.

First of all, beneficial owners are natural persons. A legal person cannot be a beneficial owner. This characteristic is important for several reasons: (1) it highlights the individuals who are in charge and/or control the company; (2) it gives clear grounds for their responsibility and individual liability. A natural person is the one who ultimately controls and benefits from assets or transactions, either through direct or indirect means. A legal person cannot exercise ultimate control over an asset, and they are always controlled by natural persons (for further information, please, refer to Willebois, D. E., et al. the Puppet Masters, 2011; FATF, Concealment of Beneficial Ownership, 2018). “Therefore, while a legal person or arrangement can be the beneficiary of an asset or transaction, determining the beneficial owner requires the discovery of the natural person(s) who ultimately control or benefit from the legal person or arrangement”.⁷

Secondly, the sense of ownership differs from control. The definition consists of two distinct categories, where an owner has the right to control, but the legal title of ownership is in the hands of a trustee. This distinction between the controllers and temporary owners is crucial in underlining the position of the final owner, and defines him or her as the individual who is in charge of relevant assets. It is critical to discover the natural person who controls an asset, rather than the legal owner of that asset. Thus, controllers will be considered the final and beneficial owners (for further information, please, refer to Willebois, D. E., et al. the Puppet Masters, 2011; FATF, Concealment of Beneficial Ownership, 2018). It is also worth highlighting that a temporary owner is an owner against all third parties except for the beneficial owner.

Thirdly, beneficial ownership does not just pertain to companies, but also to transactions. Therefore, there is a need to identify not only those persons who are executing transactions, but also those who are in control of the trustees.

Lastly, it is important to define the meaning of “control” and who can be the one to exercise control – a shareholder, or senior management. Shareholders generally have more control than directors, but the directors also have certain powers, and much depends on the service agreement between the company and its directors, as well as on the bylaws and articles of incorporation where the duties of directors are defined, all of which makes the identification of the final beneficiary impossible (for further information, please, refer to Willebois, D. E., et al. the Puppet Masters, 2011; FATF, Concealment of Beneficial Ownership, 2018).

6 FATF, International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation – the FATF Recommendations, p. 113, 2019, available at: <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>.

7 FATF, Concealment of Beneficial Ownership, p. 16. 2018, available at: <https://www.fatf-gafi.org/media/fatf/documents/reports/FATF-Egmont-Concealment-beneficial-ownership.pdf>.

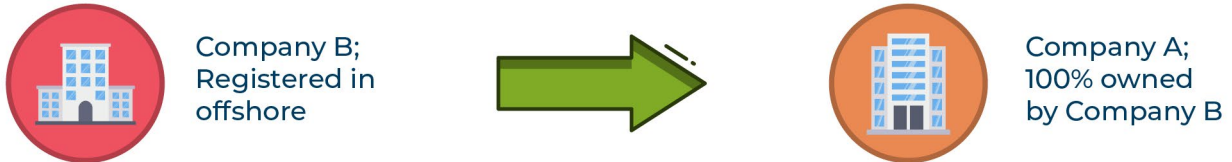


STRUCTURE OF BENEFICIAL OWNERSHIP

Typically, examples of beneficial ownership can be seen in articles of incorporation and bylaws of the companies when the information on partners and shareholders (in closely held companies) is given. As most countries have open registries, retrieving the data on a certain company is possible. Thus, it is possible to find who the owners of the companies are, but the situation becomes more difficult when the data is closed - for example, when the owners of these companies are registered in offshore financial centers that have been blacklisted.

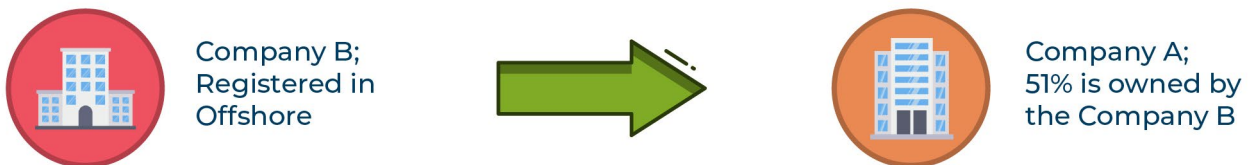
Scenario N 1.

Company A is owned by Company B, which is registered in countries where data is not publicly available. Though we know that the owner of Company A is company B, it is impossible to find out the real and final owners of Company B.



Scenario N 2.

51% of Company A is owned by Company B registered in countries where data is not publicly available. Though we are aware who the owners of the 49% of the company shares are (minority shareholders), the information on majority shareholders is not available. Therefore, it is impossible to pinpoint the controlling beneficial owners of the legal entity. Higher access to company documents will increase scrutiny on majority shareholders so as to prevent them from suppressing the rights of the minority shareholders. The international community, for example, *Doing Business*, holds minority shareholders in high respect. Subsequently, protection of their rights is deemed important.⁸



Scenario N 3.

100% of Company A is owned by Company B and 100% of Company B is owned by company C. Company C is registered in countries where data is not publicly available. Though we are aware who the owner of Company B is, we don't know the owners of Company C, therefore, we don't know who the beneficial owners of Company C are, and thus, in this structure, we cannot deduce the beneficial owners of this corporate group.



⁸ For more information, please, refer to the methodology of *Doing Business*, available at: <https://www.doingbusiness.org/en/methodology>.

Another example of beneficial ownership are **bearer shares connected to Joint Stock Companies**, the owners of which are not disclosed on share certificates while being mostly kept registered on the companies' private registries. One does not need a signed agreement on transfer of shares to transfer ownership of the bearer shares; instead, one can simply give the certificate to another party. Therefore, holders of the certificate are considered owners of the company. As banks restrict policy towards bearer shares, the more modern version of beneficial ownership in JSCs is a situation with nominal shareholders with the identities of the nominators undisclosed.

Lastly, it should also be highlighted that senior management who execute more immediate control on the company can also be the beneficial owners. Unfortunately, this issue is more difficult to identify. Initially, the commercial legal system should be analyzed in order to define the place and functions of directors and supervisory boards, and only after that the articles of incorporation, bylaws and service agreements with the management should be studied. Based on these documents, as well as the power granted to the management, the beneficial ownership of the directors can be revealed. Therefore, beneficial ownership of directors is not dependent on registration information (unless they are also shareholders), but can be identified based on the openness of the whole system if the relevant company foundation documents and legal acts are available.

A relatively simple way to identify beneficial ownership among a board of directors can be seen in foundations. Essentially, foundations are legal entities that are not owned by shareholders and are managed by directors. Usually, foundations are not-for-profit organizations, although some jurisdictions allow foundations to serve private purposes. **Therefore, the context of beneficial ownership can be applied to foundations created for private purposes.**⁹

Another popular example of beneficial ownership can be also seen in transactions. Based on the FATF definition that was discussed above, the term 'beneficial owner' refers to the natural person who ultimately owns or controls the person on whose behalf a transaction is being conducted. Unlike the companies where ownership and control can be seen based on the information from a registry (if the registries are not located in offshore, blacklisted countries), it is more difficult to identify control in trusts (financing events from commons funds, syndicated loans in corporate banking, managing assets, investment of money, etc). **In trusts, the person (settlor who initiated the trust) transfers property to another person (a trustee legally bound to act in the best interests of the beneficiary) to hold it for the benefit of a third person (the beneficiary). The concept of beneficial ownership should be applied to this context only after establishing sufficient legal and factual grounds to identify the party in control.** In fact, any of these three parties can be in control of a transaction (for further information, please, refer to Willebois, D. E., et al. the Puppet Masters, 2011; FATF, Concealment of Beneficial Ownership, 2018). "It is interesting to note that, when discussing the applicability of beneficial ownership obligations to trusts, compliance officers interviewed in connection with this study generally confirmed that all standard parties to the trust (settlor, trustee, and beneficiary) are relevant and should be considered. One can see why: If one person contributes an asset, another manages it, and yet another will benefit from it, who really is in control? In whom should a compliance officer be most interested? When a service provider is dealing with a prospective client, he does not know at that point (at the beginning of a relationship) what the relationship will involve in practice. All he or she has is some information provided by his or her client. **In that case, the wisest course is to gather information on all parties who could be relevant**".¹⁰

9 FATF, Concealment of Beneficial Ownership, p. 22. 2018, available at: <https://www.fatf-gafi.org/media/fatf/documents/reports/FATF-Egmont-Concealment-beneficial-ownership.pdf>.

10 The Puppet Masters - How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It, Willebois, D. E., et al. p. 21, World Bank, 2011, available at: <https://star.worldbank.org/sites/star/files/puppetmastersv1.pdf>.



OBSCURING BENEFICIAL OWNERSHIP

Due to the low level of transparency associated with it, beneficial ownership is considered a mechanism that can be exploited by criminals to launder money and finance illicit activities. Concealing beneficial ownership and hiding it from law enforcement agencies can lead to drug trafficking, money laundering, financing terrorism, tax evasion and corruption.

At the same time, companies whose owners are hidden from the public and legal authorities are often involved in violation of labor and environmental standards, such as the companies involved in mining industries that adversely impact the environment and local communities. At the same time, measures or fines imposed by the governments make the punishment of beneficial owners almost impossible, unless they can be revealed.

According to the documents of FATF and other international actors, key techniques used by criminals can be categorized within three basic categories: (1) generating complex ownership and control structures; (2) using financial instruments to facilitate a hidden relationship between the beneficial owner and his/her assets; (3) other falsifying activities, such as false loans.

Many of the common mechanisms/techniques used by criminals to obscure beneficial ownership of assets and transactions have been compiled by FATF in previous studies, including the 2014 FATF Guidance on Transparency and Beneficial Ownership. According to the FATF guidance report, beneficial ownership information is commonly obscured through the use of:

- shell companies, especially in cases where foreign ownership is spread across multiple jurisdictions;
- complex ownership and control structures;
- bearer shares and bearer share warrants;
- unrestricted use of legal persons as directors;
- formal nominee shareholders and directors where the identity of the nominator is undisclosed;
- informal nominee shareholders and directors, such as close associates and family;
- trusts and other legal arrangements that enable a separation of legal ownership and beneficial ownership of assets;
- intermediaries in forming legal persons, including professional intermediaries".¹¹

An analysis of 150 grand corruption cases shows that the main type of vehicle used to conceal beneficial ownership is the company.¹²

¹¹ FATF, *Concealment of Beneficial Ownership*, p. 25, 2018, available at: <https://www.fatf-gafi.org/media/fatf/documents/reports/FATF-Egmont-Concealment-beneficial-ownership.pdf>.

¹² Id. p. 20.



**LEGAL TECHNIQUES APPLIED BY
STATES AND INTERNATIONAL
ACTORS**

Various states and international actors have taken a number of measures to increase transparency in beneficial ownership, tackle illicit activities associated with the concept, and increase the number of companies and transactions where the beneficiaries are fully revealed. It should also be mentioned that most of these measures serve preventive purposes. As such, a high risk that it will be impossible to identify illegal activities covered by concealed beneficial ownership remains. Nevertheless, the implementation of legal measures is considered important for preventing and/or identifying illegal activities.

This chapter aims to outline the most popular legal preventive measures aimed at increasing the transparency of beneficial ownership structures, reduce illegal activities carried out through legal vehicles, and tackle the misuse of these structures.

Possibly the most important player in the fight against the misuse of beneficial ownership is FATF. At the same time, there are a number of international actors whose methods and efforts should be praised and analyzed. Together with international organizations, several states executed successful campaigns against the concealment of beneficial ownership, and so it is also important to discuss their efforts as well.

The analysis of preventive measures can be grouped into several categories.

ELECTRONIC TOOLS

As the majority of transactions are executed online, financial institutions and law enforcement agencies have started to collect and analyze the **Internet Protocol (IP)** addresses of the parties involved in these transactions. “It is likely that careful analysis of IP address information could identify situations where control is being exerted by an unknown third party, where control shifts from one person to another, where control of a domestic account is being exerted by a foreign influence, or where a person may be seeking to conceal their IP through the use of a virtual private network (VPN)”.¹³ Instances of repeat IP addresses may indicate the involvement of numerous accounts, professional nominees and intermediaries who need to be observed closely. For example, if somebody claims to be the beneficial owner of a particular country, their IP address should not originate from another country. At the same time, there are options to use electronic applications, such as home-banking, that are based on a user’s digital identity or identify the digital footprint while using even more advanced technologies (for further information, please, refer to FATF, *Concealment of Beneficial Ownership*, 2018; Knobel, A., *Beneficial Ownership Verification: Ensuring the Truthfulness and Accuracy of Registered Ownership Information*, 2019).

Verification and further **analysis of addresses** provided by customers and clients can be done with the use of online maps and street-level images. “By analysing the location of an address provided by a customer or company, as well as the physical appearance of that address from the street (where images are available), it is often possible to identify anomalies indicative of a shell company or an attempt to conceal the customer’s true identity. Anomalies may include: the location is inconsistent with the financial profile of the customer; the location is inconsistent with business profile of the company; the physical appearance of the address is inconsistent with the size and nature of the company; the address is a post box”.¹⁴

An important aspect of the prevention of the problems associated with beneficial ownership is the creation of a **public beneficial ownership registry**. This is a unique sort of registry that ensures transparency and easy access to information regarding companies. Many international organizations, including OGP, have recommended the creation of beneficial ownership registries. This registry, however, will have to combine information on foreign registered companies. Therefore, collaboration between countries is vital, and not only regarding local legal vehicles. The creation of beneficial ownership registry means collecting all relevant data (tax identification numbers, bank account

¹³ FATF, *Concealment of Beneficial Ownership*, p. 177, 2018, available at: <https://www.fatf-gafi.org/media/fatf/documents/reports/FATF-Egmont-Concealment-beneficial-ownership.pdf>.

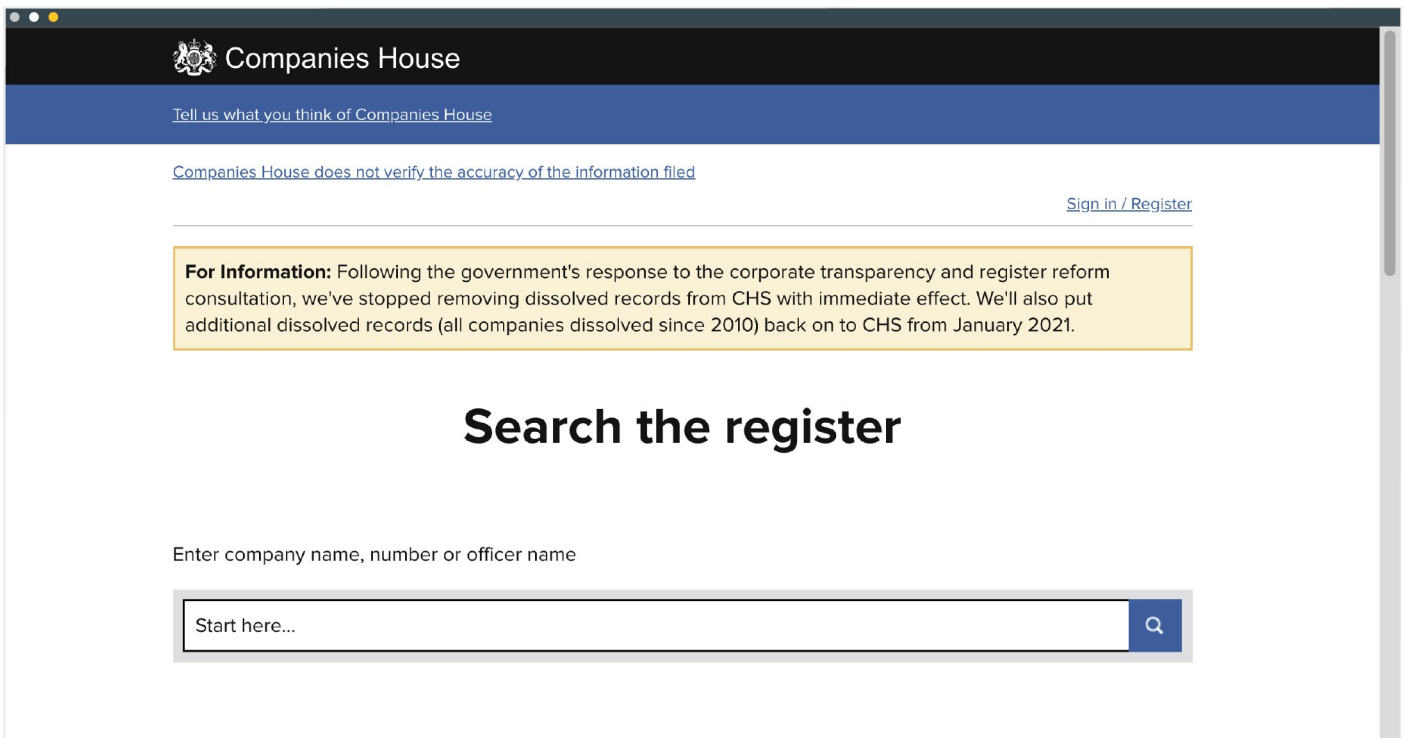
¹⁴ Id.

numbers, and information on partners, management and supervisory boards) on legal vehicles that will facilitate the verification of beneficial owners. The beneficial ownership registry should be accessible by the public (for further information, please refer to Knobel, *Beneficial Ownership Verification: Ensuring the Truthfulness and Accuracy of the Registered Ownership Information*, 2019).

OECD highlights the importance of creating a centralized company registry where information will be provided in a timely manner and will be kept up-to-date. At the same time, OECD defines a number of challenges, such as: ways for collecting and verifying the information on beneficial ownership; determining the accuracy and reliability of the information; defining the parties responsible for providing such information in a timely manner and considering sanctions for the failure to do so; the effectiveness of sanctions, etc. OECD points out the importance of tax authorities, lawyers, notaries, and financial institutions that are required under AML framework to take active part in collecting the data on beneficial ownership for the beneficial ownership registry (for further information, please refer to OECD, *A Beneficial Ownership Implementation Toolkit*, 2019).

As part of its OGP commitments, **the UK Government introduced a public registry of beneficial ownership**. The registry aims to tackle corruption and tax evasion among international companies. “Companies have been obliged to file BO information with the company register, Companies House, since April 2016. The threshold for reporting ownership or control is 25%. UK is also planning to create a new register for foreign companies owning UK property”.¹⁵ The abovementioned public registry of beneficial ownership <https://beta.companieshouse.gov.uk/> is accessed 20000 times per day.¹⁶ It should also be underlined that, for the purposes of the beneficial ownership, the UK standard does not consider the ownership of less than 25% share to be a controlling amount for ownership. We found this standard questionable, since owning less than 25% can equal having golden shares with special rights and privileges that can amount to effective control over a company.

Apart from the abovementioned ownership threshold, UK public registry of beneficial ownership has other functions that can be explored by interested parties. For example, one can find an overview of the company, filing history of documents, information on officers and/or persons with significant control, charges, insolvency, and a company information snapshot.¹⁷



15 Knobel, A. *Beneficial Ownership Verification: Ensuring the Truthfulness and Accuracy of Registered Ownership Information*, p. 26, 2019, available at: <https://adamsmithinternational.com/app/uploads/2019/07/Towards-a-Global-Norm-of-Beneficial-Ownership-Transparency-Phase-2-Paper-March-2019.pdf>.

16 OGP, *Beneficial Ownership*, <https://www.opengovpartnership.org/policy-area/beneficial-ownership/>.

17 Companies House, <https://beta.companieshouse.gov.uk/>.

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FORTNUM REALTY LIMITED

Company number **11886326**

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Registered office address

88 Lichfield Grove, C/O Nccs Associates Limited, London, England, N3 2JN

Company status

Dissolved

Dissolved on

10 September 2019

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Capital

Incorporation

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Officers

Date	Description	View / Download
10 Sep 2019	Final Gazette dissolved via voluntary strike-off	View PDF (1 page)
25 Jun 2019	First Gazette notice for voluntary strike-off	View PDF (1 page)
18 Jun 2019	Application to strike the company off the register	View PDF (1 page)
10 Jun 2019	Termination of appointment of David Kezerashvili as a director on 10 June 2019	View PDF (1 page)
03 Apr 2019	Appointment of Mr David Kezerashvili as a director on 3 April 2019	View PDF (2 pages)
21 Mar 2019	Change of details for Mr David Noel Kezerashvili as a person with significant control on 18 March 2019	View PDF (2 pages)

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1 person with significant control / 0 statements


Mr David Kezerashvili

Correspondence address
88 Lichfield Grove, C/O Nccs Associates Limited, London, England, N3 2JN

Notified on	Date of birth	Nationality
18 March 2019	September 1978	Georgian

Nature of control	Country of residence
Ownership of shares – 75% or more as a member of a firm	England

UKRAINE became the first country to make submission of the information on beneficial owners obligatory for all companies from September 2015. The information should be submitted as a part of company registration to the Unified State Register. These requirements are enforced for those companies that were already registered before making the information on beneficial ownership publicly accessible. According to the Ukrainian legislation, a beneficial owner is a natural person who, directly or indirectly, independently or together with other individuals/entities owns at least 25% of shares or voting rights, directly or indirectly performs ultimate control over management or business activities of the company, or has ultimate control over the conclusion of contracts by the company, or has a right to give obligatory instructions or perform the functions of a managerial body. Unified State Register of Ukraine tries to identify beneficial owners by collecting various data such as the name, last name, patronymic (if any), date of birth, country of citizenship, place of residence, ID and passport numbers, etc. According to the current legislation of Ukraine



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The International Business Registers Report 2018

April 3, 2019 by [Kevin Kerrigan](#)

The report is structured to reflect the diversity of respondents and the joint commitment by the four worldwide registry organisations, ASORLAC (Association of Registers of Latin America and the Caribbean), CRF (Corporate Registers Forum), ECRF (European Commerce Registers' Forum) and IACA (International Association of Commercial Administrators) in supporting this work on behalf of their members.

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(Article 64.1, Economic Code of Ukraine), enterprises are required to establish who their beneficial owners are. Failure to do so will cause the imposition of fines as an administrative liability. Though submission of the information on beneficial owners is an obligation, companies either do not provide this information or the submitted information has inaccuracies and is of low quality; at the same time, there are companies that are not registered in the State Unified Register even as they remain taxpayers (for further information, please, refer to Global Forum on Asset Recovery, Ukraine, 2017; Kozlovtsseva, 2019; What is Inside Ukrainian Business Register, OSF).

Company registries serve different functions. They can generate statistical data, make access to the information easier for the public, but most importantly, they should promote the principle of trustworthiness, since investors and the wider society should be able to trust the information secured at public registries.¹⁸

At the same time, there are various other registries or international collaborations that share information on company registries on the national and global level. For instance, the European Business Registry Association and the Corporate Registers Forum. Such cooperation is vital to an effective exchange of experience, knowledge, and relevant information.¹⁹

The screenshot shows the 'Information Distributors' page on the EBR Network website. It features a navigation menu at the top with 'EBR Network' highlighted. Below the header, there is a section titled 'Information Distributors' with a sub-header 'Information Distributors'. The main content area contains a paragraph explaining that the following distributors provide direct online access to company information in the EBR network. Below this, there is a search instruction: 'To search European business information on EBRA please choose one of our sanctioned distributors by clicking on the distributor name.' A table follows, listing distributors by Base Country, Distributing Members, Supported Languages, and Website Currency.

Base Country	Distributing Members	Supported Languages	Website Currency
Austria	Manz	German	EUR
Estonia	Centre of Registers and Information Systems	Estonian, English	EUR
Germany	Bundesanzeiger	German	EUR
Italy	InfoCamere	Italian	EUR

These registries enable the clarification of information using different sources. Unfortunately, the majority of them are not free and have access fees.²⁰

The screenshot shows the 'info Dienste' website by MANZ. The header includes the logo 'info Dienste' and 'MANZ' with a stylized 'M' logo. A navigation bar contains buttons for 'FB', 'GB', 'EXDA', 'GISA', 'eAE', 'ZMR', 'EBRA', 'KSV', 'KV', 'IMMO', 'SIMPLEX', and 'My queries'. The main content area is titled 'MANZ info services' and describes bundles of applications for inspection of public register services. A list of services is provided, including Commercial Register, land register, Execution Data, trade register, electronic file inspection, Central Resident Register, European Business Register, Credit Protection Association, collective agreement database, ImmonetZT, and Simplex Docs. On the right side, there is a 'Hotline' section with contact information (Tel: +43 1 531 61 11, E-Mail: hotline@manz.at) and an 'Order - forms' section with a list of services: Order form, Terms and conditions, Remuneration provisions, Service description, and Create user (existing customers).

18 European Business Registry Association, available at: <https://ebra.be/the-international-business-registers-report-2018/>

19 European Business Registry Association, <https://ebra.be/information-distributors/>.

20 Info Dienste, <https://dienste.manz.at/vst/fb/fb.jsf>.

SUPERVISION BY CIVIL SOCIETY

The media and non-governmental organizations play a crucial role in identifying potentially illicit activities. They often conduct investigative analysis and discover cases of money laundering, corruption, and tax evasion. At the same time, not all media sources are reliable, especially with the rise of fake news media activities. Still, there are many international journalist chains that can be trusted. “In recent years, global consortiums of journalists, such as the International Consortium of Investigative Journalists, have undertaken widespread investigations into corruption, tax evasion, and money laundering. In two key instances, the investigations released leaked documents relating to the establishment of complex corporate structures and companies in low-tax jurisdictions by law firms on behalf of high-wealth individuals. While these leaked documents are not evidence of criminality or wrong-doing, they may be indicative of risk, and may warrant close consideration from a risk analysis perspective”.²¹

STATE AGENCIES

The traditional approach to revealing the information on beneficial ownership is through the agencies that combat money laundering and financing of terrorism. The transactions that are done by companies registered in offshore territories are automatically considered suspicious and further monitoring and investigations are conducted to reveal their nature, purposes and parties involved. Inter-agency groups and councils can be also effective in tackling the activities of beneficial ownership. For example, “Switzerland has established a national AML/CFT co-operation and coordination framework led by the Interdepartmental Co-ordinating Group on Combating Money Laundering and the Financing of Terrorism (GCBF). All competent authorities regularly take part in this group. The Group is responsible for the ongoing identification of risks to which the country is exposed. Under the leadership of MROS (FIU), there is a specific working group dedicated to risk analysis. The GCBF, represented by high-level officials, proposes measures to address the identified risks. The results of the works of the GCBF are submitted each year to the Swiss Federal Council for information or for adoption of further measures”.²²

The beneficial ownership registry mentioned above is also a part of the state effort to bring transparency to beneficial ownership structures. This, combined with the creation of agencies fighting money laundering and financing of terrorism, guarantee of transparency in ownership and control of a company through the creation of public registries of beneficial ownership, and the establishment of inter-agency coordination councils that can effectively organize the combined efforts of various stakeholders, can have a positive impact in resolving the problems of concealment and evasion of legal requirements.

TRANSPARENCY OF BENEFICIAL OWNERSHIP IN LEGAL ARRANGEMENTS

One of the potentially most difficult parts for enhancing the transparency of beneficial ownership lies in legal arrangements – trusts. The registration of companies is mandatory in most countries and makes it more or less possible to conduct further analysis and uncover hints necessary for establishing the ultimate owners of companies. But the situation worsens significantly with the involvement of legal arrangements that are not required to be registered under most circumstances. “Countries should take measures to prevent the misuse of legal arrangements for money

21 FATF, *Concealment of Beneficial Ownership*, p. 177, 2018, available at: <https://www.fatf-gafi.org/media/fatf/documents/reports/FATF-Egmont-Concealment-beneficial-ownership.pdf>.

22 FATF, *Best Practices on Beneficial Ownership for Legal Persons*, p. 30, 2019, available at: <https://www.fatf-gafi.org/media/fatf/documents/Best-Practices-Beneficial-Ownership-Legal-Persons.pdf>.

laundering or terrorist financing. In particular, countries should ensure that there is adequate, accurate and timely information on express trusts, including information on the settlor, trustee and beneficiaries, that can be obtained or accessed in a timely fashion by competent authorities”.²³

According to the recommendations of FATF, trustees, settlors, protectors, and beneficiaries should disclose their status and identity. Trustees should reveal their identity proactively, rather than waiting for relevant order from an authority responsible for these matters.

COMMITMENTS WITHIN OGP AND EITI

There are a number of international platforms where countries deliberately take commitments as mandatory steps for implementation. These commitments cover different topics, including, but not limited to: citizen engagement, transparency, efficiency of state organizations, and accountability. Among such platforms, OGP and EITI are the most important and prestigious. Under the framework of OGP, 23 countries have used their action plans to make commitments on beneficial ownership transparency.²⁴

Specifically, countries like Argentina, Nigeria, Armenia, and the Philippines have taken commitments to implement beneficial ownership transparency policies that will enable the disclosure of information through the establishment of beneficial ownership registries, among other measures.

The commitments on beneficial ownership implemented within OGP and EITI demonstrate an improvement in business environment, positively affect the growth of the economy, and reduce cases of corruption. “Participants were unanimous in recognizing that while BOT is a critical step in the fight against corruption, curtailing illicit financial flows and strengthening business integrity, it is only useful if the information is utilized for investigating and fighting corruption. This was also highlighted in another session of the EITI Global Conference, where a panel of experienced stakeholders discussed good case practices on how beneficial ownership information can be used to curb corruption and strengthen extractive sector governance”.²⁵

In countries of Eastern Europe, implementation of transparency of beneficial ownership is more closely linked to the fight against corruption. Post-socialist governments are trying to overcome the corrupt bureaucratic mentality that lingers on from the Soviet Union.

THE REPUBLIC OF ARMENIA, after the Velvet Revolution in 2018, started the implementation of the regulations supporting the transparency of beneficial ownership and took more bold steps against corruption. The 2018-2020 Armenia OGP Action Plan aims to create an open registry of public beneficial ownerships. The main aim of the commitment is to prevent and identify the misuse of company ownership for corruption offenses. At the same time, the commitment envisages that the transparency of real owners will raise awareness among citizens, leading to them eventually becoming more involved in the fight against corruption. At the same time, transparency of beneficial ownership will improve tax collection process.²⁶ Armenia has also taken other measures, such as the Government of Armenia signing the Memorandum of Understanding with OpenOwnership that will provide technical assistance to Armenia in facilitating transparency of beneficial ownership.²⁷ Additionally, with the request of EITI, Armenia has published Beneficial Ownership Disclosure Roadmap that automatically considers “politically exposed persons” as

²³ FATF, *Guidance - Transparency and Beneficial Ownership*, p. 10, 2014, available at: <http://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-transparency-beneficial-ownership.pdf>.

²⁴ Transparency International, *Recommendations on Beneficial Ownership for OGP Action Plans*, 2019, p. 3, available at: <https://images.transparencycdn.org/images/Rec-on-Beneficial-Ownership-Transparency-for-OGP-action-plans-FINAL.pdf>.

²⁵ Treisman, I., and Greene, C., *From the “Why” to the “How”: Working with EITI and OGP*, 2019, available at: <https://www.openownership.org/news/from-the-why-to-the-how-working-with-eiti/>.

²⁶ Armenia Action Plan 2018-2020, available at: <https://www.opengovpartnership.org/members/armenia/commitments/AM0037/>.

²⁷ <https://www.openownership.org/news/armenia-signs-mou-with-openownership/>.

beneficial owners regardless of their share of ownership and, as such, puts forth requirements for transparency.²⁸

THE SLOVAK REPUBLIC, together with several other countries, with the support of UK and OpenOwnership, founded the Beneficial Ownership Leadership Group, which aims to drive global policy shift towards free and open beneficial ownership data.²⁹ It should be noted that the Slovak Republic was one of the first countries globally to start establishing beneficial ownership transparency standards. Slovakian beneficial ownership registry, where thousands of companies and natural persons are identified, was established in 2015.³⁰ The 4th commitment of the 2020-2021 OGP National Action Plan of the Slovak Republic aims to ensure full disclosure of beneficial ownership data in the registry of legal entities, entrepreneurs, and public authorities.³¹ In order to further support the transparency of beneficial ownership data, the Slovak Republic endorsed the Declaration of National Commitment to Meet the Beneficial Ownership Transparency Disclosure Principles. By supporting the implementation of transparency in beneficial ownership data through the use of the global platforms, the Declaration demonstrates a growing recognition of the importance of beneficial ownership transparency. The signatory countries aim to establish a new global norm of beneficial ownership transparency across asset classes. Greater transparency of beneficial ownership will, over time, help reduce the abuse of assets for criminal purposes. Signatory countries aim to implement the Beneficial Ownership Transparency Disclosure Principles by 2023, to appoint a senior government official and agency to lead the establishment of the public national company beneficial ownership register, and to develop a national action plan laying out the steps for establishing a registry.³²

THE REPUBLIC OF KENYA is among the OGP member countries committed to the establishment of a beneficial ownership registry. The 2018-2020 Kenya OGP 3rd National Action Plan aims to create the beneficial ownership registry and lay the basis for its effective functioning.³³ Particularly, Kenya aims to develop regulations that will govern and establish the legal basis for Beneficial Ownership legislation, to develop an open, accessible and machine-readable beneficial ownership registry on BO standards, and to establish a central registry of foreign and local companies that bid on public contracts and buy property. Kenya is also a member of the Beneficial Ownership Leadership Group.³⁴

THE REPUBLIC OF LATVIA is among Beneficial Ownership Leadership Group members. As part of the Latvia National Action Plan 2017-2019, it aims to open actual beneficiary information of the Latvian companies.³⁵ “The objective of the commitment is to improve publicly available information on private enterprises, and in particular their beneficial ownership. It calls for developing a new Electronic Register website and to improve the searchability of the available information. In parallel, the government has introduced a requirement for private entities (both businesses and associations) to disclose to the Electronic Register information on their beneficial owners. This information can be obtained upon request and for a fee”.³⁶

EITI is possibly the most active global initiative in the fight to achieve transparency in big companies. Most of the EITI member countries are committed to the disclosure of the real owners of companies in their extractive sector. To achieve this, they (DRC, Ghana, Guinea, Kyrgyz Republic, Madagascar, Mali, Nigeria, Ukraine, the UK) have already decided which of their respective agencies will oversee beneficial ownership transparency. Most of the EITI countries plan to amend their legal framework and establish strong basis for transparency of beneficial owners. At the same

28 EITI, Beneficial Ownership Disclosure Roadmap of the Republic of Armenia, 2018, p. 2, available at: https://eiti.org/files/documents/bo_roadmap_draft_en.pdf.

29 Transparency International, Recommendations on Beneficial Ownership for OGP Action Plans, 2019, p. 3, available at: <https://images.transparencycdn.org/images/Rec-on-Beneficial-Ownership-Transparency-for-OGP-action-plans-FINAL.pdf>.

30 Register of Public Sector Partners, <https://rpvs.gov.sk/rpvs/>.

31 OGP National Action Plan of the Slovak Republic 2020-2021, 2019, p. 10-12, available at: https://www.opengovpartnership.org/wp-content/uploads/2019/12/Slovakia_Action-Plan_2019-2021_EN.pdf.

32 Declaration of National Commitment to Meet the Beneficial Ownership Transparency Disclosure Principles, available at: <https://www.openownership.org/uploads/oo-disclosure-principles.pdf>.

33 Kenya OGP 3rd National Action Plan 2018-2020, available at: https://www.opengovpartnership.org/wp-content/uploads/2018/12/KENYA_Action-Plan_2018-2020_0.pdf.

34 Beneficial Ownership Leadership Group, <https://www.opengovpartnership.org/beneficial-ownership-leadership-group/>.

35 OGP National Action Plan of Latvia 2017-2019, available at: <https://www.opengovpartnership.org/documents/latvia-national-action-plan-2017-2019/>.

36 OGP Latvia, <https://www.opengovpartnership.org/members/latvia/commitments/LV0038/>.

time, some members plan to implement different measures for fighting corruption and enhancing transparency, such as: in Sierra Leone, an inter-agency working group consisting of relevant agencies – Corporate Affairs Commission, Financial Intelligence Unit, and other regulators – was established. The working group considers legal initiatives and amendments. Meanwhile, Malawi plans to designate the Chamber of Mines to serve as a forum for company capacity building.³⁷

EU DIRECTIVES ON BENEFICIAL OWNERSHIP

Another important international actor in supporting the transparency of beneficial ownership is the EU. Apart from creating a list of non-cooperative jurisdictions, EU has several Directives on preventing money laundering, countering the financing of terrorism, and on revealing hidden beneficial owners. These legal acts are: Regulation (EU) 2015/847 of the European Parliament and of the Council on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006; EU Directive 2015/849 of the European Parliament and of the Council 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; Directive (EU) 2018/843 of the European Parliament and of the Council (the 5th Anti-Money Laundering Directive) 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. The last Directive enhances transparency by setting up publicly accessible registries for companies, trusts and other legal arrangements; broadens the criteria for the assessment of high-risk third countries and improves the safeguards for financial transactions to and from such countries; improves the cooperation and exchange of information between anti-money laundering supervisors. Furthermore, the 5th Directive aims to establish the connection between the EU national registers on beneficial ownership, thereby directly facilitating exchange of information between member countries. At the same time, access to data on beneficial owner of trusts will be accessible without any restrictions to competent authorities; and lastly, beneficial ownership registries will be public.

THE REPUBLIC OF POLAND is not the member of EITI or OGP, but developed a legal framework against the concealment of beneficial ownership. In 2019, Poland created the Ultimate Beneficial Owner Registry, aimed at collecting the required information on natural persons owning companies. Companies registered in the National Court Registry are obliged to report the information on beneficial ownership to the Ultimate Beneficial Owner Registry in 7 days. According to the Polish legislation, the beneficial owner is a natural person who effectively controls at least 25% of the shares in a Polish company.³⁸ There are fines of up to 1,000,000 PLN for missing the deadline.

³⁷ How EITI Countries Will Publish Real Owners by 2020, available at: <https://eiti.org/blog/how-eiti-countries-will-publish-real-owners-by-2020>.

³⁸ PWC, Obligatory Ultimate Beneficial Owner Registration, available at: <https://www.pwc.pl/en/services/legal-services/polish-ultimate-beneficial-owner-register.html>.



**RECOMMENDATIONS
FOR GEORGIA**

The circumstances of Georgia are not much different from those of the countries discussed above. Georgia faces the same problems as the majority of post-socialist countries. It is also an Associate Member of EU. Therefore, it should tackle these challenges and shed light on concealed owners of companies while implementing the necessary measures to harmonize its legislation with EU directives.

For years, the civil society organizations in Georgia, including the Institute for Development of Freedom of Information (IDFI), urged the Georgian Government to create a beneficial ownership registry that could collect the information of the ultimate owners of companies, most importantly in the sphere of extractive industries.³⁹ Unfortunately, the Georgian Government didn't pursue any ambitious agenda regarding this area. All the while IDFI presented the establishment of the beneficial ownership registry in Georgia and endorsement of the principles of EITI as a part of Georgia's commitments under OGP⁴⁰, but public institutions at the Open Governance Inter-Agency Coordination Council didn't agree with the proposed commitments.

It should also be highlighted that Georgia, as an Associate Member of EU, has an obligation to implement EU Directives, including the Directives on Beneficial Ownership that were mentioned previously. According to the Progress Report of the 2018 National Action Plan for the Implementation of the Association Agreement, for the purpose of approximation to Regulation (EU) 2015/847, President of the National Bank of Georgia approved Order No 253/04 of 30 November 2018 on the Regulations on Information Accompanying Transfers of Funds.⁴¹ This order, which stipulates detailed information on accompanying transfers of funds, is an additional legal instrument for strengthening the implementation of the anti-money laundering legislation. Nevertheless, there is no public electronic tool where the submission of information on beneficial ownership would be obligatory and publicly accessible for oversight by the citizens of Georgia.

Based on the abovementioned discussion, several recommendations can be developed for Georgia. These recommendations can be applied to other countries of Eastern Europe as well.

FIRST, a public registry of beneficial ownership should be created. The registry should be open to everyone, and it should preferably be in at least two languages - Georgian and English. Applying this function to the current electronic platform of Public Registry will be effective only if the companies registered overseas in blacklisted areas, with no transparency on beneficial owners, will be obliged to register in the Registry of Entrepreneurs and Non-Entrepreneurial (Non-Commercial) Legal Entities while indicating their beneficial owners. Alternatively, after registering in the abovementioned registry, they should provide additional information in the form of a report on beneficial owners to a separately created beneficial ownership registry, as with the example of Poland. But the "registration process" or "submission of the report" should be clearly defined - what information should be provided on beneficial owners, how often should the information be updated, will there be a possibility to track companies, monitor their activities, or exchange the information with other beneficial ownership registries, etc. If it chooses not to remodel the current version of the Registry of Entrepreneurs, Georgia can instead create the new registry specifically for the transparency of beneficial ownership. In this case, the example of UK, which is discussed above, will be of relevance.

SECOND, though the bylaws of companies are considered private legal agreements among parties, and partners of the company can keep these bylaws confidential, there should be obligatory transparency of management powers and voting rights. This will shed some light on at least a portion of the legal arrangements among the parties.

THIRD, a crucial step will be the creation of an inter-agency council that can coordinate the functions and efforts of state and civil organizations, define the entities responsible for collecting the information on beneficial ownership, elaborate guidelines and recommendations for stakeholders, create an ethical code of conduct for companies registered overseas, and organize public awareness campaigns.

39 Extractive Industries Transparency Initiative in Georgia, Institute for Development of Freedom of Information, 2019, available at: https://idfi.ge/public/upload/IDFI_2019/visegrad/EITI_Georgia_ENG_Final.pdf.

40 IDFI's Recommendations for the 2021-2022 Open Government Action Plan, IDFI, 2020, p 3, available at: <https://idfi.ge/public/upload/OGP/translation-IDFI-OGP-Commitments-gov-eng.pdf>.

41 Progress Report of the 2018 National Action Plan for the Implementation of the Association Agreement, MFA, 2019, p. 24, available at: shorturl.at/sMZ38.

FOURTH, the creation of a legal framework through amendments to current legislation and further harmonization with EU Directives is a crucial step for the implementation of any measures on beneficial ownership. As such, sanctions, effective enforcement, and supervision regulations should be part of it.

FIFTH, being active on international platforms by, for instance, endorsing the principles of OGP and EITI, can enhance the transparency of beneficial owners. Georgia is a member of OGP, but not a member of EITI. Despite years of advocacy by civil society organizations, especially IDFI, the Government of Georgia didn't adopt a commitment to join the EITI. Therefore, the synergy which is created for certain countries by being the members of both OGP and EITI is not utilized by Georgia because Georgia is member of OGP only.



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