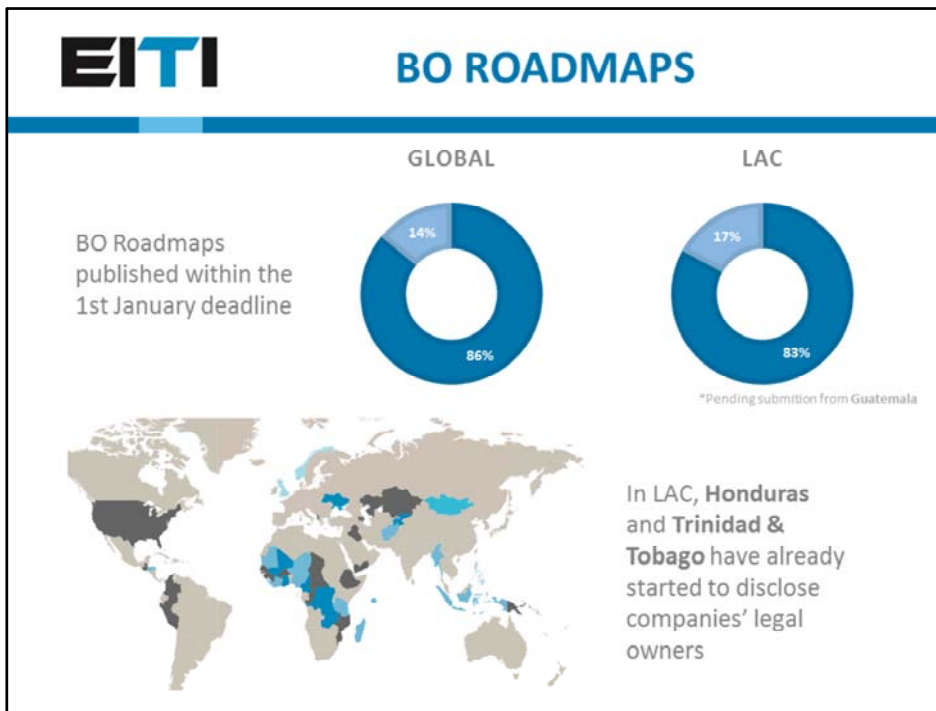


Beneficial Ownership disclosures
roadmaps in Latin America and the
Caribbean



*EITI beneficial ownership disclosures in Latin America, Bogotá, Colombia
8th March 2017*



- Globally 86% of EITI implementing countries submitted a BO roadmap within the established deadline. In the Latin-America and Caribbean region the percentage of countries timely covering the EITI Requirement is similar.
- 5 out of 6 implementing countries submitted a roadmap. **Guatemala** has informed to that it continues working on their roadmap; although no timeline has been set for delivery of the document.
- Prior to submitting the BO roadmaps, Honduras and Trinidad and Tobago have started approaching BO disclosures in practice.
- **Honduras** sought beneficial ownership information from four mining companies operating in the country. Two of them provided information about their legal owners, noting that information about beneficial owners was not available as the parent companies were registered in foreign jurisdictions.
- As part of the 2014-2015 EITI Report, **Trinidad and Tobago** gathered data on legal owners of extractive companies and publishes it on the online BO portal.

BO OBJECTIVES

-  Establishes relevance of the BO disclosure to national priorities

Deter corruption, tax evasion, money laundering-reduce risks of conflicts of interests – ensure integrity of publicly elected officials.

BO DEFINITIONS

-  Outlines beneficial ownership definition

Beneficial Ownership– the natural person who is directly or indirectly the owner of a company or controls at least ten percent of the shares or total votes, exclude persons acting as a nominee, intermediary, custodian or agent on behalf of another person. Politically exposed persons, who otherwise benefit economically from the company, are also considered to be beneficial owners.

A Politically Exposed Person (PEP) -is an individual who is or has been entrusted with a prominent political function. These include foreign and local political figures and extend to their immediate family members and close associates.

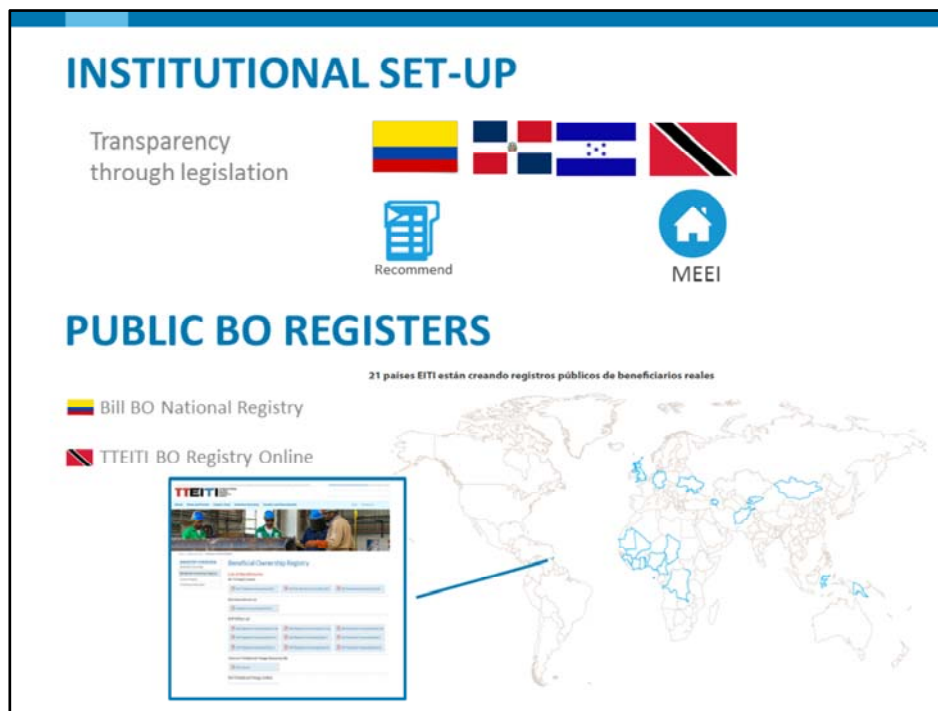
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BO Objectives

- In Latin-America, only **Peru's** roadmap establishes the relevance of beneficial ownership disclosure to national debates and priorities can contribute to build understanding of how openness about beneficial ownership can be useful to the country, build stakeholder support for this work, and ensure that the activities in the MSG's roadmap are linked to wider government priorities.
- Globally: 23 countries have already identified such objectives in their roadmaps. Objectives include deterring corruption, tax evasion and money laundering; reducing risks of conflict of interest; preventing illicit financial flows; increasing state revenue; ensuring the integrity of publicly elected officials; etc.

BO Definitions

- Only the roadmap from **Trinidad & Tobago** outlines beneficial ownership definition that have been agreed by the MSG and it is currently in use. Other countries' roadmaps do not specify a definition, but rather has this listed as an activity that implementation of the roadmap will set out to achieve.
- To agree the current definitions, Trinidad & Tobago has reviewed relevant Laws i.e. Companies Act, Integrity in Public Life Act or Regulations from the Financial Intelligence Unit of the Ministry of Finance and Economy.



Institutional set-up.

- The EITI Standard requires that “corporate entity(ies) that bid for, operate or invest in extractive assets” should disclose the identity(ies) of their beneficial owners. To achieve this, it is recommended that the roadmap includes activities aimed at broad consultations with government agencies and other stakeholders in order to identify the agency(ies) that is responsible or could best suited to oversee, collate and maintain beneficial ownership information, as well as any existing public filing processes that could easily accommodate beneficial ownership disclosures.
- Although enabling legislation is not necessarily mandatory, the multi-stakeholder groups in **Colombia, the Dominican Republic, Honduras and Trinidad & Tobago** aim at undertaking a legal review with a view to identify opportunities for embedding requirements for beneficial ownership disclosure in national legal instruments, in particular where relevant legal and regulatory reforms are already planned or underway.
- **Colombia’s** roadmap contains a wealth of concrete recommendations for engaging with the relevant government agencies.
- **Trinidad & Tobago** has already established to populate the TTEITI BO Registry online.

Public BO Registers

- In **Colombia** a bill for a national registry on beneficial ownership is currently being developed under the leadership of the Secretary of Transparency attached to the President's Office.
- **Trinidad & Tobago** has set up a dedicated page established that the Ministry of Energy and Energy Industries will be the institutional home of BO disclosures.

TECHNICAL ASSISTANCE REQUIRED

- **Legal and institutional review** to identify legal strategies, the status of data, institutional responsibilities and associated challenges.
- Technical support to develop the **definition** of BO y PEPs, and a **data gathering methodology**.
- Draft of a BO reporting and disclosure bill
- **Building the technical capacities** of MSG members and relevant public and private actors.
- Setting up a BO **Public Registry**

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Technical assistance required

Implementing countries' roadmaps highlighted the need for technical and financial assistance to implement the activities listed in the plans. Most of these activities relate to these major groups:

- **Legal and institutional review** to identify legal strategies, the status of data, institutional responsibilities and associated challenges.
- Technical support to develop the **definition** of BO y PEPs, and a **data gathering methodology**.
- Draft of a BO reporting and disclosure bill
- **Building the technical capacities** of MSG members and relevant public and private actors.
- Setting up a BO **Public Registry**



[alternative example with background and animated feature]

Thank
you!

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