

GYEITI BENEFICIAL OWNERSHIP ROADMAP

BENEFICIAL OWNERSHIP DISCLOSURE ROADMAP OF THE COOPERATIVE REPUBLIC OF GUYANA

The aim of the EITI Standard 2016 for beneficial ownership is to make transparent and disclose who ultimately controls and receives the proceeds from licenses to extract a country's natural resources. The role of "politically exposed persons" is an area of particular concern. Many practices can obscure who are the true beneficial owners of a company. The use of one or more shell companies and/or proxy/nominee owners and directors are two such practices. It is therefore important to strengthen the legal framework in key areas and to ensure that information on beneficial owners are publicly accessible in registries.

It is worth noting that EITI's interest in beneficial ownership dovetails with that of the Financial Action Task Force on Money Laundering (FATF) and its regional affiliates. Thus, there will be a degree of complementarity on this topic between Guyana's pursuit of EITI compliance and compliance under FATF. Beneficial ownership and politically exposed persons are defined in **Guyana's Anti-Money Laundering and Countering the Financing of Terrorism Act 2009 (AML/CFT)** as amended.

THE ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM (AMENDMENT) (NO. 2) ACT 2015 AMENDS SECTION 2 (1) OF THE PRINCIPAL ACT DEFINE BENEFICIAL OWNERSHIP AS FOLLOWS:

"beneficial ownership" means ownership by a natural person or persons who ultimately exercise individually or jointly voting rights representing at least twenty-five per cent of the total shares, or otherwise have ownership rights of a legal entity; or ownership by a natural person or persons who ultimately owns or controls a customer or the person on whose behalf a transaction is being

conducted and includes those persons who exercise ultimate effective control over a legal person or arrangement.”

THE AML/CFT ACT 2009 DEFINES A POLITICALLY EXPOSED PERSONS AS FOLLOWS:

“any individual who is or has been entrusted with prominent public functions on behalf of a state, including a Head of State or of government, senior politician, senior government, judicial or military officials, senior executives of state-owned corporations, important political party officials, including family members or close associates of the politically exposed person whether that person is resident in Guyana or not”.

Other areas of the law that are complementarily important to ensure greater disclosure are the **Access to Information Act** and the **Integrity Commissions** which are fully functional and in order. These provide citizen groups, police and journalists the means of accessing information that might prove critical on PEPs (asset declarations, published salaries). Further, the **Petroleum Regulations No 5 of 1986** make provisions for a body corporate who has a share capital to disclose the name of any person who is the beneficial owners of more than five per centum of the issued share capital.

According to the Extractive Industries Transparency Initiative (**EITI Standard Requirement 2.5**), **as of 1 January 2020, all EITI implementing countries are required to disclose their ultimate beneficial owners (including politically exposed persons –PEPs) information for inclusion in the EITI Report.** With the admission of the Co-operative Republic of Guyana as an EITI candidate country

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on October 25, 2017, Guyana is required to publish a beneficial ownership roadmap by July 2018, with the aim of full disclosure of beneficial ownership by January 1, 2020. It is against this backdrop that GYEITI have undertaken to identify six (6) objectives with planned activities that will ensure that the Cooperative Republic of Guyana achieve the objectives to satisfy requirement 2.5 of the EITI Standard 2016.

ROAD MAP ON BENEFICIAL OWNERSHIP OF GUYANA

APPROVED BY GYEITI MULTI STAKEHOLDER GROUP ON JULY 18, 2018 AND PUBLISHED ON WWW.GYEITI.ORG

The Beneficial Ownership Roadmap will be reviewed monthly by the Working Group and subject to change with the approval of GYEITI Multi Stakeholder Group

Objectives	Planned activities	Outcome	Responsible Party	Timeframe	Budget	Status
Objective 1 Link BO disclosure with National Priorities Agenda on: -Transparency - accountability	1.1 Initial Meeting with Hon. Raphael Trotman to discuss national priorities of the extractive sector and beneficial ownership.	Understand national priorities of the country	NS/LRRWG	September 30, 2018	NA	Incomplete
	1.2 Organize round table meetings for Parliamentarians (Natural Resources subcommittee) and heads of government organizations to have open discussion on beneficial ownership and its importance to the extractive sector	Make Parliament members and heads of government aware of BO issues in Guyana		31 st October 2018	\$120,000	Incomplete

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<p>Objective 2: Identify institutional framework for BO disclosure</p>	<p>2.1 Meeting with officials from GGMC, GGB, Deed and Commercial Registry, Guyana Forestry Commission which register BO information and identify their framework for gathering BO information.</p>	<p>Identify which government organization will register and maintain BO information.</p> <p>Draft MOU for information sharing</p>	<p>NS/LRRWG</p>	<p>30 November 2018</p>	<p>NA</p>	<p>Incomplete</p>
<p>Objective 3: Identify “Beneficial ownership” and Politically Exposed Persons terminology, define threshold, level of detail through broader consultation with stakeholders</p>	<p>3.1 Draft Beneficial Ownership and Politically Exposed Persons terminology vis-à-vis international standards</p>	<p>MSG to agree to draft</p>	<p>NS/LRRWG</p>	<p>July, 2018</p>	<p>NA</p>	<p>Completed</p>
	<p>3.2 Circulate draft to MSG for feedback and recommendation</p>	<p>Consensus from MSG on terminology definition for Beneficial Ownership and Politically Exposed Persons</p>	<p>NS/LRRWG</p>	<p>July 2018</p>	<p>NA</p>	<p>Completed</p>
	<p>3.3 IA in drafting the definition of BO and PEP will consider definitions proposed by the MSG</p>		<p>IA</p>	<p>TBD</p>	<p>NA</p>	<p>Incomplete</p>
	<p>3.4 Stakeholders engagement with Companies, GGMC and Energy Stakeholders, Private Sector Commission</p>	<p>Stakeholders will arrive at consensus and fundamental document will be finalized (MOU)</p>	<p>NS/LRRWG/IA</p>	<p>January 2019</p>	<p>TBD</p>	<p>Incomplete</p>

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	3.5 Capacity building and training for companies on definition and scope of BO	Representatives of Companies will have a clear understanding of BO and what is expected of them	Consultant	March 2019	TBD	Incomplete
	3.6 Meeting Minister of the Ministry of Legal Affairs	Be informed about any amendments to existing legislation	NS/LRRWG	January 2019		Incomplete
	3.7 Stakeholders engagement with civil society organizations	Civil Society will be informed about Beneficial Ownership and Politically Exposed Persons	NS/LRRWG/IA	February 2019		Incomplete
	3.8 If required draft BO and PEP amendments			TBD		
	3.9 Issue joint press release to express Government and MSG position on BO disclosure issues into public	The public and interested stakeholders will be aware of government and GYEITI position on BO disclosure	NS/LRRWG	March 2019	\$72,000	Incomplete
Objective 4: Collect the BO information and assure the accuracy of data	4.1 Document existing beneficial ownership disclosure practices and policies across the extractive sectors and synchronize the registration system of government agencies which register and maintain BO information and improve information sharing within these government agencies in an open data format (xlsx or cvs) 10	Information collecting and sharing system will be synchronized	IA/Secretariat			Incomplete

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	4.2 Develop guidelines to reporting companies on how to identify their BO and complete the reporting template		IA	TBD		Incomplete
	4.3 Distribute the BO template to companies included in the scope of the EITI Report, collect data and follow up on any missing or incomplete submission		IA	TBD		Incomplete
	4.4 Present the findings in the EITI Report		IA	TBD		Incomplete
	4.5 Provide comments on comprehensiveness and reliability of BO information and give recommendations		IA	TBD		Incomplete
Objective 5: Complete disclosure of Political Exposed Person	5.1 Draft BO amendments and create reporting template.	PEPs will be reported completely.	IA	November 2018	Nil	Incomplete
	5.2 Organize training for government agencies related with BO registration process	Capacity Building	IA/NS	TBD		Incomplete

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	5.3 GYEITI MSG agree on data assuring methodology		MSG	September 2019		Incomplete
	5.4 Pilot information gathering process of beneficial owners Pilot assuring process of information gathered	To test the information gathering process	IA	TBD		Incomplete
	5.5 Collect and disclose BO information through GYEITI 2020 Report		IA/NS	TBD		Incomplete
Objective 6: Ensure BO information is publicly accessible	6.1 Link to other e-Reporting system and disclose the BO information into public	Public Engagement	MSG/NS	October 2019		Incomplete

Abbreviations:

- i. National Secretariat – NA
- ii. Legal and Regulatory Review Working Group – LLRWG
- iii. Independent Administrator – IA
- iv. To Be Determined – TBD
- v. Multi Stakeholder Group – MSG
- vi. Guyana Extractive Industries Transparency Initiative -GYEITI