


Risks in beneficial ownership disclosure

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What are the goals of disclosing BOs in the Kyrgyz Republic?

- **Transparency – international recognition, FATF, KYC**
- **Building trust of the citizens towards the government**
- **Anti-corruption (National Sustainable Development Strategy)**
- **Making informed decisions when licensing**
- **Preventing unfair competition among applicants**

Current regulations

A **beneficiary** is an individual, state, **who is the final owner** of a subsoil user **and/or** applicant for subsoil use rights through:

- a) direct and/or indirect ownership of 10 or more percent of shares or participatory units in authorized capital; and/or
- b) direct and/or indirect ownership of 10 or more percent of the votes of the supreme governing body; and/or
- c) direct and/or indirect appointment and/or recall of the members of governing bodies.

Article 26. Suspension and termination of subsoil use rights

- 6) Failure or discovery of failure by the subsoil user to provide accurate information about beneficiaries of the company.

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Existing risks to the BO disclosure

- 1. BOs will not submit their data:**
 - 1. Nominal owners of shares;**
 - 2. Offshore registration;**
 - 3. Lack of verification of data.**
- 2. BO is a new term in our legislation**
- 3. Protection of personal data, trade secret**
- 4. Stock companies – stocks and bods market regulations, security holders**
- 5. Possible resource nationalism**

Risks identified by the Open Ownership

- Recommendation 3: the definition of Politically Exposed Person
- Recommendation 8: Data collection should be structured and include key points about all beneficial owners.
- Recommendation 11: Historical information should be stored rather than replaced.
- Recommendation 12: Publish information as structured data in BODS format, using unique, stable identifiers for all companies, branch companies and beneficial owners.
- Recommendation 13: Digitalize the submission process as much as possible.
- Recommendation 14: SCIESU should undertake basic verification to improve data quality and enable red flags to be surfaced.

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Thank you!

<https://keitiweb.wordpress.com/бенефициарное-право/>

<https://www.openownership.org/uploads/opo-kyrgyz-republic-scoping-report.pdf>

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