

13 March 2017

Ms Jodi Keall
Senior Adviser
Financial System Division
100 Market Street
Sydney NSW 2000
Email: beneficialownership@treasury.gov.au

Re: Increasing Transparency of the Beneficial Ownership of Companies Consultation Paper

Dear Ms Keall,

I am writing in response to the Australian Government Consultation Paper of February 2017 on *Increasing Transparency of the Beneficial Ownership of Companies* to express our support for Australia's implementation of a central, public, free, and open data register of company ownership information.

The B Team is a not-for-profit initiative formed by a global group of business leaders to catalyze a better way of doing business, for the wellbeing of people and the planet. Our B Team Leaders include Richard Branson, Paul Polman, Mo Ibrahim, Bob Collymore, Guilherme Leal, Andrew Liveris and Oliver Bate. Since 2014, The B Team has been actively promoting the business case for ending anonymous companies through increased beneficial ownership transparency.

Access to company ownership information is crucial for businesses and investors, enhancing their ability to manage risks, develop supply chains with integrity, and better allocate capital to worthwhile investments. Being able to identify owners is central to legal certainty in business dealings with third parties to enable enforcement of contracts and safeguard investments. Interest in beneficial ownership information is not in the minority in the business community: for example, [EY's 2016 Global Fraud survey](#) found that 91% of senior executives believe it is important to know the ultimate beneficial ownership of the entities with which they do business.

Despite increasing requirements placed on business for due diligence and anti-corruption, accessing relevant information remains costly, difficult or impossible in many parts of the world. Ease of access to verified or verifiable information on ultimate beneficial owners of companies is critical to conducting our business affairs efficiently, ethically and with confidence.

We welcome Australia's continued leadership on this issue including through the G20 Presidency in 2014, at the London Anti-Corruption Summit and through Australia's Open Government Partnership National Action Plans.

In response to your consultation paper, we wanted to emphasise a few overarching points about the business benefits of a centralised, public, free and open data register.

Importance of ease of access and comparative data for business

Public, open data and free access enables business to efficiently access and use information on who they are doing business with, reducing the costs and complexity of due diligence and risk management. Open data enables comparison with other sources including datasets from other jurisdictions, which is of interest to businesses and investors operating transnationally.

Levelling the playing field

As your paper notes, public beneficial ownership transparency brings the minority of companies with complex structures that obscure ownership in line with the public disclosure

requirements of the majority of businesses. If public access to beneficial ownership information is restricted it protects these companies who are may use the corporate form to obscure their illicit operations or actions. We believe that this minority brings business into disrepute and requires no exemption from public disclosure.

Ensuring quality

A core concern for business is the quality of the data on registers. A central aim of this effort must be to ensure that data is reliable and up to date, otherwise it is of less use to business and other actors. Australia should institute approaches to ensure that information is verified on a regular basis, and that there are penalties for false or missing declarations. Again, open data can assist in facilitating regular checks and in supporting other institutions to compare the data to other sources of information.


Broader benefits

Lastly, public, free and open data access facilitates broad scrutiny of this information to identify discrepancies and fraud. This form of networked verification is of benefit to business by providing additional ways to identify false information.

The long term aim, in our view, is that beneficial ownership information is transparent and accessible across all jurisdictions, globally. Australia should continue its important leadership on this issue alongside countries engaged in the Extractive Industries Transparency Initiative and those countries that committed to implement public registers of beneficial ownership at the London Anti-Corruption Summit in 2016 or through their Open Government Partnership National Action Plans.

If you have questions about this letter or would like to arrange further discussions please contact May Miller-Dawkins, Director – Governance and Transparency at The B Team at mmd@bteam.org.

Yours sincerely,



Rajiv Joshi
Managing Director
The B Team