

BENEFICIAL OWNERSHIP TRANSPARENCY IN UNCAC AND OTHER INTERNATIONAL FRAMEWORKS



RELEVANCE OF BENEFICIAL OWNERSHIP TRANSPARENCY IN ANTI-CORRUPTION

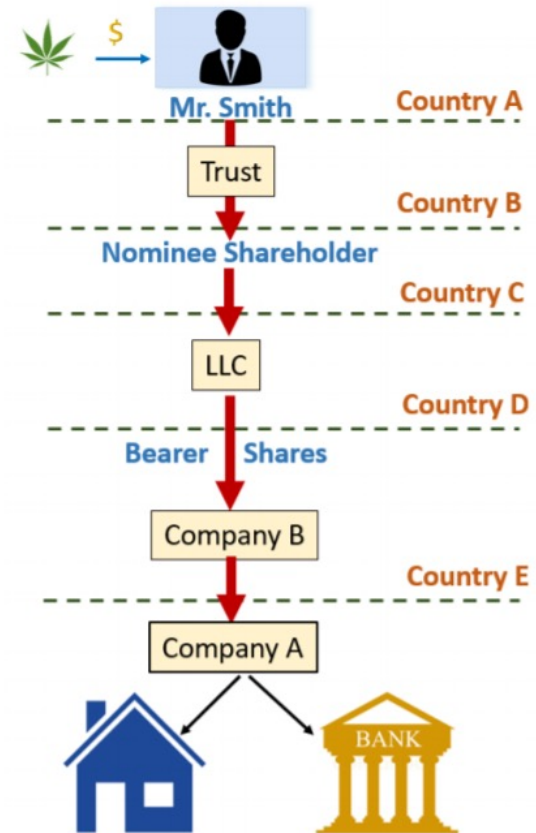


Review of 150 cases carried out by the Stolen Asset Recovery Initiative (StAR):

- a **corporate vehicle** was misused to **hide the money** trail;
- the corporate vehicle in question was a company or corporation;
- the proceeds and instruments of corruption consisted of funds in a bank account;
- the corporate vehicle in question was established or managed by a professional intermediary.

The FATF has defined the term ‘beneficial owners’ to include:

the natural person(s) who ultimately owns or controls 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.



GENERAL REQUIREMENTS WITH REGARD TO BO

UNCAC Art 12: Private Sector

Promote transparency among private entities, including, where appropriate, measures regarding the identity of legal and natural persons involved in the establishment and management of corporate entities

FATF: Recommendation 24 - 25

Jurisdictions must ensure there is adequate, accurate, and up-to-date information on basic and beneficial ownership of legal persons formed in that jurisdiction, and that such information can be provided to a competent authority in a timely manner.

CUSTOMER DUE DILIGENCE REQUIREMENTS RELATED TO BO

UNCAC Article 14. Measures to prevent money-laundering

BO in CDD for banks and other entities providing financial services.

UNCAC Article 52. Prevention and detection of transfers of proceeds of crime

to require financial institutions to **determine the identity of beneficial owners of funds deposited into high-value accounts** .

FATF recommendations 10 -22



COSP 9 RESOLUTION 9/7

In December 2021, at the 9th Conference of States Parties to the United Nations Convention against Corruption (UNCAC), the States Parties approved a new resolution on beneficial ownership, entitled “Enhancing the use of beneficial ownership information to facilitate the identification, recovery and return of proceeds of crime.” Among other measures, the resolution called upon States parties to:

- Ensure efficient access to adequate and accurate beneficial ownership information on companies in a timely manner for competent authorities;
- Ensure that non-compliance with beneficial ownership regulations by legal persons and legal arrangements is subject to appropriate effective, proportionate and dissuasive civil, administrative or criminal penalties, in accordance with the fundamental principles of their domestic law;
- Make use of digital and innovative technologies to facilitate the exchange of beneficial ownership information between central or competent authorities ;
- Request the UN Office on Drugs and Crime to continue providing technical assistance, capacity-building and material support to Member States with regard to establishing and implementing a domestic beneficial ownership information regime.

UNODC SUPPORTS SEC IN ENHANCING BOT IN THE PH



For more information:

www.unodc.org/corruption

www.track.unodc.org



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