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The
G20 Research Group
at Trinity College at the Munk School of Global Affairs in the University of Toronto
with the
International Organisations Research Institute
at the National Research University Higher School of Economics, Moscow
present the

2014 Brisbane G20 Summit Final Compliance Report

17 November 2014 to 1 October 2015

Prepared by
Krystel Montpetit, Theodora Mladenova, Mickael Deprez, Jonathan Tavone, Phil Gazaleh,
Taylor Grott and Antonia Tsapralis
G20 Research Group, Toronto,
and
Andrei Sakharov, Andrey Shelepov and Mark Rakhmangulov
International Organisations Research Institute, Moscow

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www.g20.utoronto.ca
g20@utoronto.ca

“The University of Toronto ... produced a detailed analysis to the extent of which each G20 country has met its commitments since the last summit ... I think this is important; we come to these summits, we make these commitments, we say we are going to do these things and it is important that there is an organisation that checks up on who has done what.”

— *David Cameron, Prime Minister, United Kingdom, at the 2012 Los Cabos Summit*

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13. Financial Regulation

2014-60: [We commit to improve the transparency of the] of beneficial ownership by implementing the G20 High-Level Principles on Beneficial Ownership Transparency.

G20 Brisbane Summit Leaders' Communiqué

Assessment

Country	No Compliance	Work in Progress	Full Compliance
Argentina			+1
Australia			+1
Brazil		0	
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy			+1
Japan			+1
Korea		0	
Mexico			+1
Russia			+1
Saudi Arabia		0	
South Africa		0	
Turkey		0	
United Kingdom			+1
United States		0	
European Union			+1
Average		+0.70	

Background

The G20 has considered the transparency of beneficial ownership of legal persons and arrangements as a high priority starting from the St Petersburg summit, as preventing the misuse of these entities for illicit purposes such as corruption, tax evasion and money laundering supports the core G20 objective of increasing growth through private sector investment.

In the G20 St Petersburg Declaration G20 leaders encouraged “all countries to tackle the risks raised by the opacity of legal persons and legal arrangements.”¹⁹⁹⁵ They also called on finance ministers to update them by the 2014 G20 summit “on the steps taken to meet FATF standards regarding the beneficial ownership of companies and other legal arrangements such as trusts by G20 countries leading by example.”¹⁹⁹⁶

At their meeting in Sydney in February 2014, G20 finance ministers and central Bank governors asked the Anti-Corruption Working Group (ACWG) for an update by their April meeting on concrete actions that the G20 can take to lead by example in meeting the FATF beneficial ownership standards.¹⁹⁹⁷

¹⁹⁹⁵ The G20 St. Petersburg Summit Leaders' Declaration, G20 Information Centre (Toronto) 6 September 2013. Access: 19 January 2015. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>.

¹⁹⁹⁶ The G20 St. Petersburg Summit Leaders' Declaration, G20 Information Centre (Toronto) 6 September 2013. Access: 19 January 2015. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>.

¹⁹⁹⁷ G20 Finance Ministers and Central Bank Governors Communiqué, G20 Information Centre (Toronto) 23 February 2014. Access: 19 January 2015. <http://www.g20.utoronto.ca/2014/2014-0223-finance.html>.

At the meeting in Sydney the G20 ACWG agreed that G20 countries will lead by example by developing G20 High-Level Principles on Beneficial Ownership Transparency that will set out concrete measures they will take to prevent the misuse and ensure transparency of legal persons and legal arrangements.¹⁹⁹⁸

Commitment Features

The commitment requires G20 members to improve the transparency of legal persons and arrangements in line with the G20 High-Level Principles on Beneficial Ownership Transparency.

The following set of Principles, building on existing international standards, and allowing “sufficient flexibility” for G20 members’ “different constitutional and legal frameworks,” were adopted at the Brisbane summit:

1. Countries should have a definition of ‘beneficial owner’ that captures the natural person(s) who ultimately owns or controls the legal person or legal arrangement.
2. Countries should assess the existing and emerging risks associated with different types of legal persons and arrangements, which should be addressed from a domestic and international perspective.
 - a. Appropriate information on the results of the risk assessments should be shared with competent authorities, financial institutions and designated non-financial businesses and professions (DNFBPs¹⁹⁹⁹) and, as appropriate, other jurisdictions.
 - b. Effective and proportionate measures should be taken to mitigate the risks identified.
 - c. Countries should identify high-risk sectors, and enhanced due diligence could be appropriately considered for such sectors.
3. Countries should ensure that legal persons maintain beneficial ownership information onshore and that information is adequate, accurate, and current.
4. Countries should ensure that competent authorities (including law enforcement and prosecutorial authorities, supervisory authorities, tax authorities and financial intelligence units) have timely access to adequate, accurate and current information regarding the beneficial ownership of legal persons. Countries could implement this, for example, through central registries of beneficial ownership of legal persons or other appropriate mechanisms.
5. Countries should ensure that trustees of express trusts maintain adequate, accurate and current beneficial ownership information, including information of settlors, the protector (if any) trustees and beneficiaries. These measures should also apply to other legal arrangements with a structure or function similar to express trusts.
6. Countries should ensure that competent authorities (including law enforcement and prosecutorial authorities, supervisory authorities, tax authorities and financial intelligence units) have timely access to adequate, accurate and current information regarding the beneficial ownership of legal arrangements.
7. Countries should require financial institutions and DNFBPs, including trust and company service providers, to identify and take reasonable measures, including taking into account country risks, to verify the beneficial ownership of their customers.
 - a. Countries should consider facilitating access to beneficial ownership information by financial institutions and DNFBPs.
 - b. Countries should ensure effective supervision of these obligations, including the establishment and enforcement of effective, proportionate and dissuasive sanctions for non-compliance.
8. Countries should ensure that their national authorities cooperate effectively domestically and internationally. Countries should also ensure that their competent authorities participate in information exchange on beneficial ownership with international counterparts in a timely and effective manner.
9. Countries should support G20 efforts to combat tax evasion by ensuring that beneficial ownership information is accessible to their tax authorities and can be exchanged with relevant international counterparts in a timely and effective manner.

¹⁹⁹⁸ G20 High-Level Principles on Beneficial Ownership Transparency, G20 Information Centre (Toronto) 16 November 2014.

Access: 19 January 2015. http://www.g20.utoronto.ca/2014/g20_high-level_principles_beneficial_ownership_transparency.pdf.

¹⁹⁹⁹ As identified by the Financial Action Task-force

10. Countries should address the misuse of legal persons and legal arrangements which may obstruct transparency, including:
- a. prohibiting the ongoing use of bearer shares and the creation of new bearer shares, or taking other effective measures to ensure that bearer shares and bearer share warrants are not misused; and
 - b. taking effective measures to ensure that legal persons which allow nominee shareholders or nominee directors are not misused.²⁰⁰⁰

G20 members also agreed that, as a next step, they would take concrete action and share in writing measures to be taken to implement these principles and improve the effectiveness of their legal, regulatory and institutional frameworks with respect to beneficial ownership transparency.²⁰⁰¹

Overall, the principles provide for actions across two dimensions. First, G20 members should change their domestic legal, regulatory and institutional frameworks to address the issue of beneficial ownership (Principles 1, 3-7, 10). Second, they should ensure effective cross-country cooperation, including information exchange on beneficial ownership with international counterparts (Principle 9). Some of the Principles refer to both areas (Principles 2, 8).

Thus, to achieve full compliance the G20 member must take actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving their domestic legal, regulatory and institutional frameworks and strengthening international cooperation with respect to beneficial ownership transparency.

Scoring Guidelines

-1	Member does not take any actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency.
0	Member takes actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks, OR strengthening international cooperation.
+1	Member takes actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving its domestic legal, regulatory and institutional frameworks, AND strengthening international cooperation.

Argentina: +1

Argentina has fully complied with the commitment on beneficial ownership transparency.

Argentina has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

The current civil law of Argentina already has a definition of ‘beneficial owner’ and regulates relations of ownership in this sphere.²⁰⁰²

The Financial Information Union (FIU, an autonomous body within the Ministry of Justice and Human Rights of Argentina) takes action to mitigate risks associated with different types of legal persons and arrangements. For example, on 15 February 2015, the FIU fined several members of the board of directors of Bainter S.a. De Ahorro Para Fines Determinados — for not being registered as the beneficial owners.²⁰⁰³

²⁰⁰⁰ G20 High-Level Principles on Beneficial Ownership Transparency, G20 Information Centre (Toronto) 16 November 2014. Access: 19 January 2015. http://www.g20.utoronto.ca/2014/g20_high-level_principles_beneficial_ownership_transparency.pdf.

²⁰⁰¹ G20 High-Level Principles on Beneficial Ownership Transparency, G20 Information Centre (Toronto) 16 November 2014. Access: 19 January 2015. http://www.g20.utoronto.ca/2014/g20_high-level_principles_beneficial_ownership_transparency.pdf.

²⁰⁰² Código Civil de la Nación, Centro de Documentación e Información del Ministerio de Economía y Finanzas Públicas. Access: 7 April 2015. <http://www.infoleg.gov.ar/infolegInternet/anexos/105000-109999/109481/texact.htm>.

²⁰⁰³ La UIF Multó a una Sociedad de Ahorro por no Estar Registrada, Unidad de Información Financiera del Ministerio de Justicia y Derechos Humanos. Access: 7 April 2015. <http://www.uif.gov.ar/uif/index.php/en/noticias/671-la-uif-multo-a-una-sociedad-de-ahorro-por-no-estar-registrada>.

On 1 January 2016, the new Civil and Commercial Code of the Nation is going to come into force after passing by The House of Representatives. The regulation of beneficial ownership will become deeper and more universal in the new version of the document in comparison with the previous Code.²⁰⁰⁴

Argentina has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to strengthening international cooperation.

On 10 and 11 June 2015, Argentina's Central Bank hosted a two-day event involving the government and civil society concerning the establishment of registries of beneficial ownership. Several international organizations also participated in the event, including Latinadd (Red Latinoamericana Sobre Deuda, Desarrollo y Derechos) and Tax Justice Network (TJN). The participants agreed that much more cooperation and exchange of information is needed among national authorities. TJN announced it would assist the Argentinean government in this process.²⁰⁰⁵

Argentina has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it is awarded a score of +1.

Analyst: Anton Markov

Australia: +1

Australia has fully complied with the commitment on beneficial ownership transparency.

The definition of “beneficial owner” is contained in the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Rules Instrument 2007, last amended on 23 January 2015. This document requires reporting entities to have an AML/CTF programs with appropriate mechanisms of collection and verification of beneficial ownership information and risk-assessment mechanisms.²⁰⁰⁶

On 20 November 2014, Australian Transaction Reports and Analysis Centre (AUSTRAC) cancelled the registration of AVSForex Pty Ltd, a Melbourne based remitter company, following the conviction of its sole director for money laundering and allegations of the involvement of “serious and organized crime.” AUSTRAC worked collaboratively with the Australian Federal Police (AFP), ACC (Australian Crime Commission) Eligo National Taskforce, and Indian Enforcement Directorate to curb illegal activities by international syndicate.²⁰⁰⁷

During the compliance period Australia has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving their domestic legal, regulatory and institutional frameworks as well as strengthening international cooperation with respect to beneficial ownership transparency. Thus, it has been awarded a score of +1.

Analyst: Andrei Sakharov

Brazil: 0

Brazil has partially complied with the commitment on beneficial ownership transparency.

²⁰⁰⁴ Código Civil y Comercial de la Nación, Sistema Argentino de Información Jurídica del Ministerio de Justicia y Derechos Humanos. Access: 7 April 2015. http://www.infojus.gov.ar/docs-f/codigo/Codigo_Civil_y_Comercial_de_la_Nacion.pdf.

²⁰⁰⁵ Agreement in Buenos Aires on need for public registries of beneficial ownership, Tax Justice Network. 18 June 2015. Access: 11 October 2015. <http://www.taxjustice.net/2015/06/18/agreement-in-buenos-aires-on-need-for-public-registries-of-beneficial-ownership/>

²⁰⁰⁶ Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1), Australian Government ComLaw 23 January 2015. Access 14 May 2015. <http://www.comlaw.gov.au/Details/F2015C00096>.

²⁰⁰⁷ Further action to dismantle international money laundering syndicate, Australian Transaction Reports and Analysis Centre 20 November 2014. Access: 14 May 2015. <http://www.austrac.gov.au/media/media-releases/further-action-dismantle-international-money-laundering-syndicate>.

Brazil has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

Brazilian legislation defines the notion of the beneficial owner and companies have to disclose information about their owners or principal shareholders.²⁰⁰⁸

During the compliance period Brazil has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving their domestic legal, regulatory and institutional frameworks. However, no facts related to strengthening international cooperation with respect to beneficial ownership transparency have been registered.

Thus, Brazil is awarded a score of 0.

Analyst: Andrey Shelepov

Canada: +1

Canada has fully complied with the commitment on beneficial ownership transparency.

Canada has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

On 22 December 2014, the Guidance on enhanced financial accounts information reporting was issued. The guidance is intended to provide clarity to help financial institutions and their advisors understand and comply with their due diligence and reporting obligations.²⁰⁰⁹

Canada has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to strengthening international cooperation.

On 25 January 2015, the Convention between the government of the United Kingdom of Great Britain and Northern Ireland and the government of Canada for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains was amended. The convention provides for information exchange in the area of beneficial ownership²⁰¹⁰

During the compliance period Canada has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it has been awarded a score of +1.

Analyst: Vitaly Nagornov

China: +1

China has fully complied with the commitment on beneficial ownership transparency.

China has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

²⁰⁰⁸ DOCUMENTO ORIENTATIVO PARA PREENCHIMENTO DO QUESTIONÁRIO, the Office of the Comptroller General. Access 21 October 2015. <http://www.cgu.gov.br/assuntos/etica-e-integridade/setor-privado/empresa-pro-etica/arquivos/documentos-e-manuais/documento-orientado-para-preenchimento-do-questionario-empresa-pro-etica>.

²⁰⁰⁹ Guidance on enhanced financial accounts information reporting, Canada Revenue Agency 22 December 2014. Access Date: 10 May 2015. <http://www.cra-arc.gc.ca/tx/nrsdnts/nhncdrprtng/gdnc-eng.pdf>.

²⁰¹⁰ [TS No.6/2015] UK/Canada: Protocol Amending the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains, signed at London on 8 September 1978, as Amended, UK Government 27 January 2015. Access Date: 10 May 2015. <https://www.gov.uk/government/publications/ts-no62015-ukcanada-protocol-amending-the-convention-for-the-avoidance-of-double-taxation-and-the-prevention-of-fiscal-evasion-with-respect-to-t>.

On 1 December 2014, Chinese taxation authorities pledged to expand supervision of multinational companies to crack down on tax avoidance. Zhang Zhiyong, deputy director of the State Administration of Taxation, said that China would comprehensively monitor the profit levels of foreign companies, because some companies may erode a country's tax base by using a number of schemes to shift profits across borders, taking advantage of tax rates that are lower than in the country where they earn the profits. China will coordinate it with other countries. Zhang also said that China will actively engage in global cooperation to fight illicit activities and tax avoidance schemes.²⁰¹¹

China has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to strengthening international cooperation.

On 26 March 2015, at the invitation of President Xi Jinping of the People's Republic of China, President Joko Widodo of the Republic of Indonesia made a state visit to China and attended the Boao Forum for Asia Annual Conference. During the visit the two sides agreed to actively realize taxation cooperation, fight international tax evasion and help developing countries and low-income countries to build up capabilities in terms of taxation and related administration, to create favourable taxation environment for investment, economic cooperation and trade between China and Indonesia. The two sides signed the Protocol and Memorandum of Understanding on the Agreement between the Government of the People's Republic of China and the Government of the Republic of Indonesia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, providing for, inter alia, cooperation in the area of beneficial ownership information exchange.²⁰¹²

On 8 May 2015, China and Russia signed in Moscow the Protocol for the treaty on avoiding double taxation of income tax and preventing tax evasion. According to the Protocol, preventing tax evasion will be ensured through different measures, including the exchange of information on beneficial ownership.²⁰¹³

On 25 May 2015, China and Chile signed the treaty on avoiding double taxation of income tax and preventing tax evasion. This tax treaty will help reduce tax burdens for cross-border investors of both countries, avoid double taxation, provide certainty of taxation, and protect the tax-related rights and interests of cross-border investors. The treaty provides, inter alia, for the exchange of beneficial ownership information.²⁰¹⁴

During the compliance period China has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it has been awarded a score of +1.

Analyst: Svetlana Nikitina

France: +1

France has fully complied with the commitment on beneficial ownership transparency.

France has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

²⁰¹¹ China to prevent foreign companies from avoiding tax, the State Council of the People's Republic of China 1 December 2014. Access: 21 April 2015. http://english.gov.cn/state_council/ministries/2014/12/02/content_281475018241423.htm

²⁰¹² Joint Statement on Strengthening Comprehensive Strategic Partnership between the People's Republic of China and the Republic of Indonesia, the Embassy of the People's Republic of China in the Kingdom of Norway 26 March 2015. Access: 21 April 2015. http://wza.fmprc.gov.cn/yxsm/index.php?m=proxy&a=show&q_url=http%3A%2F%2Fno.china-embassy.org%2Feng%2F.%2Fzyxw%2Ft1249201.htm

²⁰¹³ China and Russia Signed Tax Treaty Protocol, State Administration of Taxation of China 3 July 2015. Access: 21 October 2015. <http://www.chinatax.gov.cn/2013/n2925/n2957/c1716200/content.html>

²⁰¹⁴ China and Chile Signed Tax Treaty, State Administration of Taxation of China 3 July 2015. Access: 21 October 2015. <http://www.chinatax.gov.cn/2013/n2925/n2957/c1716375/content.html>

Beneficial Ownership Transparency stems from the Order 2009-104 of 30 January 2009, codified in articles L. 612-14 and followed by the Monetary and Financial Code of France.²⁰¹⁵

On 10 April 2013, French President Francois Hollande declared that “French banks will have to publish annually a list of all their subsidiaries around the world, country by country ... this obligation to also be applied at the level of the European Union and, tomorrow, extended to large companies.”²⁰¹⁶

France has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to strengthening international cooperation.

On 27 January 2015, the money laundering directive launched on 5 February 2013 was passed by the European Parliament committees. It includes several innovations, for example the requirement to create national beneficial ownership databases.²⁰¹⁷ In the same period the ministers of finance of France, Germany and Italy issued a letter on greater harmonization and strategy in curbing tax evasion and avoidance.²⁰¹⁸ In the course of fighting against tax evasion the ministers addressed the creation of EU-wide beneficial ownership registers which would collect information on who is actually behind a company or other legal entity.²⁰¹⁹ Also at the instigation of France and the G20, the Global Forum on Transparency and Exchange of Information for Tax Purposes has become the main body responsible for designing international norms and standards in the fight against tax havens, especially developing new requirements concerning the beneficial owner identification.²⁰²⁰

During the compliance period France has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it has been awarded a score of +1.

Analyst: Vitaly Nagornov

Germany: +1

Germany has fully complied with the commitment on beneficial ownership transparency.

Germany has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

On 16 December 2014, the final negotiations between members of the European Parliament and the European member states were held in Strasbourg, France. Under the draft compromise agreement, all European Union countries were required “to obtain and hold adequate, accurate and current information on their beneficial ownership” which must be held “in a central register.” The Parliament had already voted to

²⁰¹⁵ Lignes directrices conjointes de l’Autorité de contrôle prudentiel et de Tracfin sur la déclaration de soupçon
<http://www.economie.gouv.fr/files/201007-lignes-directrices-conjointes-Acp-tracfin.pdf>

²⁰¹⁶ Comment Hollande veut “éradiquer” les paradis fiscaux et l’évasion fiscale. L’EXPRESS.fr, 10/04/2013 Access: 22 April 2015..
http://lexpansion.lexpress.fr/actualite-economique/comment-hollande-veut-eradiquer-les-paradis-fiscaux-et-l-evasion-fiscale_1422585.html

²⁰¹⁷ Money laundering: company owner lists to fight tax crime and terrorist financing Access: 22 April 2014.
<http://www.europarl.europa.eu/news/en/news-room/content/20150126IPR14918/html/Money-laundering-company-owner-lists-to-fight-tax-crime-and-terrorist-financing>

²⁰¹⁸ Germany, France And Italy Urge EU To Write Common Corporate Tax Laws, EurActiv 2 December 2014. Date of Access: 22 April 2015. <http://www.euractiv.com/sections/euro-finance/germany-france-and-italy-urge-eu-write-common-corporate-tax-laws-310489>

²⁰¹⁹ Germany, Italy & France Call for Strengthened Fight on Tax Avoidance, Registers of Beneficial Ownership. December 3rd, 2014. Access: 22 April 2015.. <http://financialtransparency.org/news/germany-italy-france-call-for-strengthened-fight-on-tax-avoidance-registers-of-beneficial-ownership/>

²⁰²⁰ Lutte contre les paradis fiscaux : l’impulsion de la France (12 février 2015) Access: 22 April 2015..
<http://www.diplomatie.gouv.fr/fr/politique-etrangere-de-la-france/diplomatie-economique-et-commerce/actualites-liees-a-la-diplomatie-23093/2015/article/lutte-contre-les-paradis-fiscaux-l>

make publicly accessible the real owners of companies and trusts in March 2014.²⁰²¹ Nevertheless, the member states led by Germany were attempting to restrict the information collected to just the name and date of birth of beneficial owners.²⁰²² Finally, the agreement was reached.²⁰²³ A directive according to which the ultimate owners of companies would have to be listed in central registers in EU countries was adopted. Instead of opening the data to general public, the access to it was provided only to people with a “legitimate interest.” The directive was implemented into Germany’s law through the adoption of a special bill on 15 July 2015 which places on the Federal Central Tax Office (Bundeszentralamt für Steuern) the responsibility for collecting relevant data from German financial institutions.²⁰²⁴

On 15 July 2015, the federal cabinet adopted two draft bills on the exchange of financial account information which lay down the details for information exchange within Germany and with other EU Member States. Under the new legal framework financial institutions are obliged to transmit the relevant data to the Federal Central Tax Office in advance, using an officially prescribed data set. Moreover, the highest data protection standards are secured.²⁰²⁵

German authorities use a definition of the “beneficial owner” contained in Money Laundering Act which entered into force on 21 August 2008. This Act also requires all obliged entities to have appropriate mechanisms in place to carefully assess the individual risk of the customer relationship and to conduct (based on this assessment) the customer due diligence which includes the identification and verification of the beneficial owner.²⁰²⁶

Besides, the Banking Act of 1998 amended on 15 July 2014 established a banking account data retrieval system, allowing access by competent authorities through an interface located within the German Financial Market Supervisory Authority (BaFin) to the beneficial owner information.²⁰²⁷

Germany has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving international cooperation.

On 2 December 2014, the Minister of Finance of Germany Wolfgang Schäuble together with his French and Italian colleagues sent a letter to economics and tax commissioner Pierre Moscovici calling on greater harmonization and strategy in curbing tax evasion and avoidance.²⁰²⁸ The three ministers appreciated the OECD and G20 countries anti-BEPS initiative. Therefore, they declared that the EU should also adopt a comprehensive anti-BEPS directive for member states by the end of 2015. In the course of fighting against tax evasion the ministers of the Eurozone’s three biggest economies also addressed the creation of EU-wide beneficial ownership registers which would collect information on who is actually behind a company or other

²⁰²¹ Parliament Toughens Up Anti-Money Laundering Rules, European Parliament 11 March 2014. Access: 22 April 2015. <http://www.europarl.europa.eu/news/en/news-room/content/20140307IPR38110/>

²⁰²² Finance: Out Of Control? Beneficial Ownership Registers In EU States Won’t Be Made Completely Public, The Bureau Of Investigative Journalism 16 December 2014. Access: 22 April 2015. <http://www.thebureauinvestigates.com/2014/12/16/eu-set-to-fall-short-of-introducing-public-registers-of-beneficial-ownership/>

²⁰²³ Money Laundering: Parliament And Council Negotiators Agree On Central Registers, European Parliament 17 December 2014. Access: 22 April 2015. <http://www.europarl.europa.eu/news/en/news-room/content/20141216IPR02043/>

²⁰²⁴ German Government Presses Forward With Fight Against Tax Evasion, German Federal Ministry of Finance 15 July 2015. Access: 22 October 2015. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2015/2015-07-15-fight-against-tax-evasion.html>

²⁰²⁵ German Government Presses Forward With Fight Against Tax Evasion, German Federal Ministry of Finance 15 July 2015. Access: 22 October 2015. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2015/2015-07-15-fight-against-tax-evasion.html>

²⁰²⁶ Money Laundering Act, BaFin. Access: 7 August 2015.

https://www.bafin.de/SharedDocs/Aufsichtsrecht/EN/Gesetz/gwg_en.html?nn=2821360#doc4528410bodyText2

²⁰²⁷ Banking Act, Bafin 15 July 2014. Access: 7 August 2015.

https://www.bafin.de/SharedDocs/Downloads/EN/Aufsichtsrecht/dl_kwg_en.pdf?__blob=publicationFile

²⁰²⁸ Germany, France And Italy Urge EU To Write Common Corporate Tax Laws, EurActiv 2 December 2014. Access: 22 April 2015. <http://www.euractiv.com/sections/euro-finance/germany-france-and-italy-urge-eu-write-common-corporate-tax-laws-310489>

legal entity. Making these registers public would drastically limit the ability for anonymous companies to be used in money laundering, tax evasion, and corruption.²⁰²⁹ This system will likely be created along with the framework of the Common Consolidated Corporate Tax Base (CCCTB, a single set of rules that companies operating within the EU could use to calculate their taxable profits).

On 8 June 2015, the G7 Summit under the German Presidency was held in Schloss Elmau. Heads of State and Government of G7 countries adopted a Summit Declaration reaffirming their commitment to finalize concrete and feasible recommendations for the G20/OECD Base Erosion and Profit Shifting (BEPS) Action Plan by the end of 2015. They also recognized the importance of beneficial ownership transparency for combating tax evasion and corruption and committed to provide updates on the implementation of their national action plans.²⁰³⁰

Germany has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related both to strengthening international cooperation, and improving its domestic legal, regulatory and institutional frameworks. Thus, it is awarded a score of +1.

Analyst: Sergei Titov

India: +1

India has fully complied with the commitment on beneficial ownership transparency.

India has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

Prevention of Money-laundering Rules, which entered into force in 2005, particularly Rule 9, include the definition of a beneficial owner, detailed for different types of clients.²⁰³¹

On 15 December 2014, the Reserve Bank of India published Anti-Money Laundering guidelines for urban co-operative banks, which inform financial institutions about a possible penalty in case of violating the law. Through these guidelines the Reserve Bank of India tries to ensure that legal persons are provided with adequate beneficial ownership information.²⁰³²

On 10 February 2015, the Forward Market Commission issued the Master Circular on Prevention of Money Laundering and Combating Financing of Terrorism. The document addresses money laundering and financing of terrorism in the commodity derivatives markets and, inter alia, establishes the requirements concerning the identification of beneficial owners.²⁰³³

²⁰²⁹ Germany, Italy & France Call For Strengthened Fight On Tax Avoidance, Registers Of Beneficial Ownership, Financial Transparency Coalition 3 December 2014. Access: 22 April 2014. <http://www.financialtransparency.org/2014/12/03/germany-italy-france-call-for-strengthened-fight-on-tax-avoidance-registers-of-beneficial-ownership/>

²⁰³⁰ Leaders' Declaration G7 Summit, German Federal Government. Access: 22 October 2014. http://www.bundesregierung.de/Content/EN/_Anlagen/G7/2015-06-08-g7-abschluss-eng_en.pdf?__blob=publicationFile&v=3.

²⁰³¹ Verification of the records of the identity of clients, Ministry of Finance, Government of India. Access: 7 April 2015. <http://fiuindia.gov.in/notifications-rule9verification.htm>.

²⁰³² Anti-Money Laundering (AML) and Know Your Customer (KYC) Guidelines for Urban Co-operative Banks & Reserve Bank's expectation from Auditors, Ahmedabad Branch of Western India Regional Council of the Institute of Chartered Accounts of India 15 December 2014. Access: 7 April 2015. <http://icaiahmedabad.com/KYC-AML-15-12-2014-SHRI-P-K-PRADHAN.pdf>.

²⁰³³ Prevention of Money Laundering (Amendment) Act, 2012 (PMLA) – Master Circular, National Commodity & Derivatives Exchange 10 February 2015. Access: 7 April 2015. http://www.ncdex.com/Downloads/Circulars/PDF/Prevention_Money_Laundering_Amendment_Act_2012_Master_Circular_10022015.pdf.

On 28 February 2015, Finance Minister Arun Jaitley stated that income concealment offence and tax evasion in relation to a foreign asset would become a criminal offence.²⁰³⁴

India has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving international cooperation.

On 3 June 2015, India joined the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information. The agreement provides for the exchange of financial information between national authorities after collecting the same from financial institutions, including information about the ultimate controlling persons and beneficial owners of entities. India will implement the new standard starting from 2017.

India has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it is awarded a score of +1.

Analyst: Anastasiia Matiukhina

Indonesia: +1

Indonesia has fully complied with the commitment on beneficial ownership transparency.

Indonesia has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

The term 'beneficial owner' is incorporated in Indonesian legislation. In particular, Indonesian central bank implements the anti-money laundering program providing for the identification of beneficial owners.²⁰³⁵ Non-bank money changers are also obliged to meet the standards of identifying beneficial owners.²⁰³⁶

Indonesia has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving international cooperation.

On 26 March 2015, at the invitation of Chinese President Xi Jinping, Indonesian President Joko Widodo visited China and attended the Boao Forum for Asia Annual Conference. During the visit the two sides agreed to actively realize taxation cooperation, fight international tax evasion and help developing countries and low-income countries to build up capabilities in terms of taxation and related administration, to create favourable taxation environment for investment, economic cooperation and trade between China and Indonesia. The two sides signed the Protocol and Memorandum of Understanding on the Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, providing for, inter alia, cooperation in the area of beneficial ownership information exchange.²⁰³⁷

²⁰³⁴ Union Budget 2015: Full text of finance minister's speech, Livemint 28 February 2015. Access: 7 April 2015.

<http://www.livemint.com/Politics/GIkYvubNVzBM2lsrW5pKjM/Union-Budget-2015-Full-text-of-finance-minister-Arun-Jaitle.html>.

²⁰³⁵ Bank Indonesia Regulation Number: 14/27/PBI/2012, Indonesia Financial Services Authority 28 December 2012. Access date: 17 April 2015. www.ojk.go.id/dl.php?i=2199.

²⁰³⁶ Circular Letter No.12/10/DPM concerning the Standard Guidelines on the Implementation of Anti-Money Laundering and Counter-Terrorism Financing Terrorism Program for Non-Bank Money Changer, Central Bank of Indonesia 30 March 2010. Access date: 17 April 2015. http://www.bi.go.id/en/peraturan/moneter/Pages/se_121010.aspx.

²⁰³⁷ Joint Statement on Strengthening Comprehensive Strategic Partnership between the People's Republic of China and the Republic of Indonesia, the Embassy of the People's Republic of China in the Kingdom of Norway 26 March 2015. Access: 21 April 2015. http://wza.fmprc.gov.cn/yxsm/index.php?m=proxy&a=show&q_url=http%3A%2F%2Fno.china-embassy.org%2Feng%2F.%2Fzyxw%2Ft1249201.htm

On 25 June 2015, Indonesia and Bahamas signed the agreement on the exchange of information relating to tax matters, including data on beneficial ownership.²⁰³⁸

Indonesia has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it is awarded a score of +1.

Analyst: Andrey Shelepov

Italy: +1

Italy has fully complied with the commitment on the beneficial ownership transparency.

The definition of “beneficial owner” used in Italy is contained within the EU Council Directive 2003/48/EC of 3 June 2003. According to the Article 2 of the directive “‘beneficial owner’ means any individual who receives an interest payment or any individual for whom an interest payment is secured, unless he provides evidence that it was not received or secured for his own benefit...”²⁰³⁹

Italy participates in the EU activities on financial security matters, and is subjected to the EU regulations in that sphere.

On 20 April 2015, the European Council adopted its position at first reading on new rules aimed at preventing money laundering and terrorist financing. The new directive and regulation, legally binding for all the EU member states, are to strengthen the EU rules against money laundering and ensure consistency with the international approach, implementing the recommendations by the Financial Action Task Force (FATF). The regulation contains, inter alia, requirements that beneficial owners are listed in central registers in EU countries, which are to be made accessible to the interested stakeholders.²⁰⁴⁰

During the compliance period Italy has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving their domestic legal, regulatory and institutional frameworks as well as strengthening international cooperation with respect to beneficial ownership transparency. Thus, it has been awarded a score of +1.

Analyst: Andrei Sakharov

Japan: +1

Japan has fully complied with the commitment on beneficial ownership transparency.

Japan recognizes the importance of implementing measures in accordance with standards set by the Financial Action Task Force. On 30 March 2015, the Japan Financial Intelligence Centre published a report for 2014. One of its objectives is to elaborate methods and recommendations to prevent money laundering and establish companies’ transparency.²⁰⁴¹

²⁰³⁸ Agreement between the Government of the Republic of Indonesia and the Government of the Commonwealth of the Bahamas for the Exchange of Information relating to Tax Matters, Ministry of Foreign Affairs of Indonesia 25 June 2015. Access date: 13 October 2015. <http://treaty.kemlu.go.id/index.php/treaty/download/5728>

²⁰³⁹ Council Directive 2003/48/EC, EUR -Lex.europa 3 June 2003. Access: 18 May 2015. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:157:0038:0048:en:PDF>.

²⁰⁴⁰ Money laundering: Council approves strengthened rules, European Council 20 April 2015. Access: 19 May 2015. <http://www.consilium.europa.eu/en/press/press-releases/2015/04/20-money-laundering-strengthened-rules/>.

²⁰⁴¹ JAFIC Annual Report 2014, Japan National Police Agency. Access: 22 April 2015. www.npa.go.jp/sosikihanzai/jafic/en/nenzihokoku_e/data/jafic_2014e.pdf

According to the Transparency International Japan's report the country has demonstrated significant progress toward transparent beneficial ownership.²⁰⁴² The actions include measures at national and international levels, including the following:

Japan ensures effective national system. The Act on the Prevention of Transfer of Criminal Proceeds defines beneficial ownership and different procedures related to its identification.²⁰⁴³ Annually, Japan Financial Intelligence Center (JAFIC) conducts risk assessment of the money laundering related to legal persons and arrangements. Moreover, the National Police Agency conducted detailed risk analysis with the Ministry of Finance.²⁰⁴⁴

Japan ensures effective international cooperation. The country has concluded a number of Memorandums of understanding with foreign authorities to share beneficial ownership information. JAFIC provides ownership information to foreign judicial and law enforcement authorities.²⁰⁴⁵

During the compliance period Japan has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks, and strengthened international cooperation. Thus, it has been awarded a score of +1.

Analyst: Vitaly Nagornov

Korea: 0

Korea has partially complied with the commitment on beneficial ownership transparency.

Korea has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

In Korea, legislation aimed at beneficial ownership identification and transparency is in force.²⁰⁴⁶ However, no new actions taken by Korea to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving either domestic frameworks, or international cooperation have been registered during the compliance period.

Thus, Korea is awarded a score of 0.

Analyst: Andrey Shelepov

Mexico: +1

Mexico has fully complied with the commitment on the beneficial ownership transparency.

Mexico has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

Mexico 2014 tax reform changed "liability for criminal offenses not only being that of the legal representative of the entity, but also of the sole administrator, chairman of the board of directors, general directors or

²⁰⁴² Assessing the implementation of the G20 High Level Beneficial Ownership Transparency Principles across G20 members, Transparency International Japan. Access: 20 October 2015. www.ti-j.org/QuestionnaireBOresearchJapan_2015.pdf

²⁰⁴³ The Act on the Prevention of Transfer of Criminal Proceeds, Japan National Police Agency. Access: 20 October 2015. <https://www.npa.go.jp/syokanhourei/hansyuu.pdf>

²⁰⁴⁴ Risk Assessment Report 2014, Japan National Police Agency. Access: 20 October 2015. <https://www.npa.go.jp/sosikihanzai/jafic/nenzihokoku/risk/risk261218.pdf>

²⁰⁴⁵ JAFIC official website. Access: 20 October 2015. <https://www.npa.go.jp/sosikihanzai/jafic/nenzihokoku/nenzihokoku.htm>

²⁰⁴⁶ Asia Tax Bulletin, Mayer Brown January 2015. Access date: 1 June 2015.

<http://www.mayerbrown.com/files/Publication/c14edcb5-ccae-4063-8fd8-968bb5ca191c/Presentation/PublicationAttachment/28783118-b012-4088-aa48-9afc71cfd88f/150210-ASI-TaxBulletin.pdf>.

managers or the person or persons who have powers of administration or ownership, as these persons have the power to prevent tax offenses from being committed.”²⁰⁴⁷

In 2014 the Tax on Cash Deposits Law (Ley del Impuesto sobre Depósitos en Efectivo) was repealed. According to the Income Tax Law “the institutions that are part of the financial system must submit an annual report to the Tax Administration Service of all cumulative monthly deposits in excess of approximately USD 1000 made to the accounts of individual taxpayers and legal entities.”²⁰⁴⁸

On 4 May 2015, Mexican president Enrique Peña Nieto enacted the Federal Law of Transparency and Access to Public Information which regulates the national transparency system, access to information and protection of personal data. The Federal Law is aimed at facilitating access to the information on all private entities that receive public funding, including trade unions and political parties, to improve accountability and combat corruption. According to this Federal Law, the entities should provide up-to-date information in different areas, including beneficial ownership.²⁰⁴⁹

Mexico has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving international cooperation.

On 4 March 2015, on the occasion of Mexican President Enrique Peña Nieto’s visit to the United Kingdom, Joint Mexico-UK Declaration was signed²⁰⁵⁰ which affirms both countries’ commitment to cooperate closely in the G20, the OECD, and the WTO for promoting an open and transparent global economy, including implementation the FATF standards, in particular on beneficial ownership.

During the compliance period Mexico has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving their domestic legal, regulatory and institutional frameworks as well as strengthening international cooperation with respect to beneficial ownership transparency. Thus, it has been awarded a score of +1.

Analyst: Elizaveta Safonkina

Russia: +1

Russia has fully complied with the commitment on beneficial ownership transparency.

Russia has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

On 24 November 2014, Russian President signed Federal Law On Amendments to Parts 1 and 2 of the Russian Federation Tax Code (Concerning Taxation of Profits of Controlled Foreign Companies and Income of Foreign Organisations). The law introduces the terms of beneficial ownership and controlled foreign companies, which are entities controlled by Russian tax residents.²⁰⁵¹

On 22 April 2015, Russian Federal Financial Monitoring Service adopted an instruction defining the procedure of providing information on beneficial owners involved in transactions subject to mandatory

²⁰⁴⁷ Tax Reform 2014. Date of access: 5 April 2015.

<https://www.kpmg.com/MX/es/IssuesAndInsights/ArticlesPublications/Documents/Estudios/2013/Tax-Reform-2014.pdf>.

²⁰⁴⁸ Tax Reform 2014, KPMG. Access: 5 April 2015.

<https://www.kpmg.com/MX/es/IssuesAndInsights/ArticlesPublications/Documents/Estudios/2013/Tax-Reform-2014.pdf>.

²⁰⁴⁹ LEY GENERAL DE TRANSPARENCIA Y ACCESO A LA INFORMACIÓN PÚBLICA. 4 May 2015. Date of assess: 5 October 2015 <http://www.diputados.gob.mx/LeyesBiblio/pdf/LGTAIP.pdf>.

²⁰⁵⁰ Joint Mexico-United Kingdom Declaration. Date of assess: 5 April 2015. <http://en.presidencia.gob.mx/joint-mexico-united-kingdom-declaration/>.

²⁰⁵¹ Amendments to Tax Code introducing mechanism for taxation of controlled foreign companies’ profits, President of Russia 25 November 2014. Access Date: 15 June 2015. <http://en.kremlin.ru/acts/news/47069>.

control or allegedly related to money laundering and financing of terrorism.²⁰⁵² The adoption of the instruction was in line with the National action plan to address tax evasion and identifying beneficial owners of companies adopted by First Deputy Prime Minister Igor Shuvalov on 30 April 2014.²⁰⁵³

Russia has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to strengthening international cooperation.

On 17 April 2015, Russian Federal Financial Monitoring Service signed a cross-service agreement with the Financial Monitoring Service under the Central Bank of Azerbaijan. The agreement provides for cooperation and exchange of information related to money laundering and financing of terrorism, including information on beneficial ownership.²⁰⁵⁴

During the compliance period Russia has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related both to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it has been awarded a score of +1.

Analysts: Andrey Shelepov and Mark Rakhmangulov

Saudi Arabia: 0

Saudi Arabia has partially complied with the commitment on beneficial ownership transparency.

Saudi Arabia has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving international cooperation.

On 8 April 2015, Saudi Arabian parliament (Majlis Al-Shura) approved a draft agreement between the Government of the Kingdom and the Government of the Kyrgyz Republic on avoidance of double taxation and prevention of tax evasion with respect to taxes on income. The agreement provides for exchange of information between relevant authorities concerning beneficial ownership.²⁰⁵⁵

Saudi Arabia has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to strengthening international cooperation, but failed to improve its domestic legal, regulatory and institutional frameworks. Thus, it is awarded a score of 0.

Analyst: Andrey Shelepov

South Africa: 0

South Africa has partially complied with the commitment on beneficial ownership transparency.

On 15 April 2015, the government of South Africa approved the draft Financial Intelligence Centre Amendment Bill. According to the National Treasury Africa the bill is aimed at enhancing the country's "ability to combat financial crimes by proposing measures to address threats to the stability of South Africa's financial system posed by money laundering and terrorism financing" and addressing regulatory gaps identified in the 2009 Mutual Evaluation of the Financial Action Task Force and the International Monetary Fund's 2014 South Africa Financial Sector Assessment Programme Technical Note on anti-money laundering

²⁰⁵² Russian Federal Financial Monitoring Service Order No. 110 of 22 April 2015, Russian Federal Financial Monitoring Service June 2015. Access Date: 15 June 2015. <http://www.fedsfm.ru/documents/rfm/1633>.

²⁰⁵³ National action plan to address tax evasion and identifying beneficial owners of companies, Federal Financial Monitoring Service 30 April 2014. Access Date: 15 June 2015. <http://www.fedsfm.ru/documents/rfm/1087>.

²⁰⁵⁴ Cross-service agreements, Federal Financial Monitoring Service 2015. Access Date: 15 June 2015. <http://www.fedsfm.ru/activity/bilateral-interagency-agreements>.

²⁰⁵⁵ Majlis Al-Shura Holds its 28th Ordinary session, Ministry of Foreign Affairs of Saudi Arabia 8 April 2015. Access date: 18 May 2015.

<http://www.mofa.gov.sa/sites/mofaen/ServicesAndInformation/news/GovernmentNews/Pages/ArticleID201548103521298.aspx>

and countering terrorist finance. The bill introduces “the concepts of beneficial ownership, ongoing due diligence, and foreign and domestic prominent influential persons.”²⁰⁵⁶

On 21 April 2015, the South African National Treasury published the draft bill and requested public comments to be sent by 31 May 2015. It was anticipated that the bill would be submitted to the government by June 2015.²⁰⁵⁷

On 22 July 2015, the South African National Treasury published the 2015 Draft Taxation Laws Amendment Bill and the Draft Tax Administration Laws Amendment Bill and requested public comments to be sent by 24 August 2015. The bills provide for closing a loophole to ensure consistent tax treatment on all retirement funds; closing a loophole to avoid estate duty through excessive contributions to retirement funds; Measures to counter tax free corporate-migrations and other reforms aimed at implementation of the international tax standards, such as the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters, “which encompasses the Common Reporting Standard endorsed by the G20 Finance Ministers.”²⁰⁵⁸

South Africa has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency to improve its domestic legal, regulatory and institutional frameworks, but no efforts to strengthen international cooperation in this field has been registered. Thus, it has been awarded a score of 0.

Analyst: Lyudmila Tarasenko

Turkey: 0

Turkey has partially complied with the commitment on beneficial ownership transparency.

Turkey has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks. However, the actions had been taken before the start of the compliance period.

The definition of the “beneficial owner” is contained in the Regulation on measures regarding prevention of laundering proceeds of crime and financing of terrorism adopted in 2008.²⁰⁵⁹

According to the Financial Action Task Force, Turkey has recently improved its legal frameworks concerning beneficial ownership. In particular, it has strengthened the requirements preventing criminals and their associates from being beneficial owners or hold controlling interest in financial institutions. However, some deficiencies concerning the identification of beneficial owners still remain and no concrete measures have been taken to address them during the compliance period.²⁰⁶⁰

Turkey has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving international cooperation.

²⁰⁵⁶ MEDIA STATEMENT REQUEST FOR PUBLIC COMMENTS ON THE DRAFT FINANCIAL INTELLIGENCE CENTRE AMENDMENT BILL, 2015, National Treasury of South Africa 21 April 2015. Access: 27 April 2015. http://www.treasury.gov.za/comm_media/press/2015/2015042101%20-%20FIC%20Bill%202015%20%20Press%20Statement.pdf.

²⁰⁵⁷ MEDIA STATEMENT REQUEST FOR PUBLIC COMMENTS ON THE DRAFT FINANCIAL INTELLIGENCE CENTRE AMENDMENT BILL, 2015, National Treasury of South Africa 21 April 2015. Access: 27 April 2015. http://www.treasury.gov.za/comm_media/press/2015/2015042101%20-%20FIC%20Bill%202015%20%20Press%20Statement.pdf.

²⁰⁵⁸ Publication of the 2015 Draft Taxation Laws Amendment Bill and the Draft Tax Administration Laws Amendment Bill, National Treasury of South Africa 22 July 2015. Access: 1 October 2015. http://www.treasury.gov.za/comm_media/press/2015/2015072201%20-%20Media%20statement%20TLAB%20&TALAB.pdf.

²⁰⁵⁹ Regulation on Measures Regarding Prevention of Laundering Proceeds of Crime and Financing of Terrorism, United Nations Office on Drugs and Crime. Access: 18 October 2015. https://www.unodc.org/tldb/pdf/Turkey/TUR_AML_Reg_26751.pdf.

²⁰⁶⁰ 15th Follow-Up Report. Mutual Evaluation of Turkey, Financial Action Task Force October 2014. Access: 18 October 2015. <http://www.fatf-gafi.org/media/fatf/documents/reports/mer/Turkey-FUR-2014.pdf>.

On 4 March 2015, Deputy Undersecretary of the Ministry of Justice Selahaddin Menteş addressed the first G20 Anti-Corruption Working Group (ACWG) meeting during the Turkish G20 presidency. He mentioned that as a co-chair of the ACWG Turkey will concentrate on achieving progress in the joint G20 anti-corruption action, including in the area of beneficial ownership.²⁰⁶¹

Turkey has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to strengthening international cooperation, but failed to take concrete steps to improve its domestic legal, regulatory and institutional frameworks during the compliance period. Thus, it is awarded a score of 0.

Analyst: Nadezhda Sporysheva

United Kingdom: +1

The United Kingdom has fully complied with the commitment on beneficial ownership transparency.

The UK has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

On 26 March 2015, the UK Parliament passed into law the Small Business, Enterprise and Employment Act 2015. The act provided for the establishment of a central public register of those individuals who hold significant control of UK companies. Companies will be required to maintain their own registries from April 2016 and provide this information to Companies House for inclusion on the public register from June 2016.²⁰⁶²

On 19 June 2015, the UK Government launched public consultations aimed at finalising the draft regulations needed to set up the detailed aspects of maintaining beneficial ownership registries.²⁰⁶³

The UK has implemented the G20 High-Level Principles on Beneficial Ownership Transparency related to improving international cooperation.

On 28 January 2015, the UK and Singapore held the inaugural Financial Dialogue. The participants identified areas of joint interest and made a commitment for further collaboration across a number of issues, in particular sharing experiences related to the “implementation of the Financial Action Task Force (FATF) Standards set out in the G20 High Level Principles on transparency of beneficial ownership.”²⁰⁶⁴

In March 2015, representatives of the UK Treasury and the Foreign and Commonwealth Office wrote to the Premiers of the British Virgin Islands and Cayman Islands asking them to set out plans and a timetable for the implementation of central registers of company beneficial ownership, or similarly effective systems, by November.²⁰⁶⁵

²⁰⁶¹ First G20 Anti-Corruption Working Group Meeting held in Istanbul, G20 Turkey 2015 5 March 2015. Access: 27 April 2015. <https://g20.org/first-g20-anti-corruption-working-group-meeting-held-in-istanbul/>.

²⁰⁶² Boost for firms as Small Business Act becomes law, UK Government 26 March 2015. Access date: 17 April 2015. <https://www.gov.uk/government/news/boost-for-firms-as-small-business-act-becomes-law>.

²⁰⁶³ The Register of People with Significant Control, UK Government 19 June 2015. Access date: 21 October 2015. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/437974/bis-15-315-register-of-people-with-significant-control-consultation.pdf.

²⁰⁶⁴ UK and Singapore hold inaugural financial dialogue, UK Government 28 January 2015. Access date: 17 April 2015. <https://www.gov.uk/government/news/uk-and-singapore-hold-inaugural-financial-dialogue>.

²⁰⁶⁵ Companies: Ownership: Written question - 10437, UK Parliament 16 October 2015. Access date: 11 November 2015. <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2015-09-16/10437/>.

The UK has implemented the G20 High-Level Principles on Beneficial Ownership Transparency both to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it is awarded a score of +1.

Analyst: Andrey Shelepov

United States: 0

The United States has partially complied with the commitment on beneficial ownership transparency.

The U.S. has a definition of beneficial owner.²⁰⁶⁶ The U.S. has backed international initiatives aimed at combating anonymous firms. In recent years the U.S. made several proposals on beneficial ownership transparency. On 1 August 2013, the Incorporation Transparency and Law Enforcement Act was introduced to the Congress, which could ensure disclosure of the beneficial owners of U.S. corporations²⁰⁶⁷. However this law has not been enacted, the U.S. still has a reputation of one of the biggest centres where a company can keep its ownership anonymous²⁰⁶⁸, and during the period under review no facts of efforts taken by the U.S. to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks were registered.

The United States has taken steps aimed at strengthening international cooperation in the sphere of beneficial ownership transparency. The US has continued to push forward its Foreign Account Tax Compliance Act (FATCA) project. Enacted by Congress in 2010, FATCA requires U.S. citizens to report their financial accounts held abroad and all foreign financial organizations to report assets of such persons to the US Treasury. FATCA-related information is shared between the U.S. and other countries under bilateral deals called intergovernmental agreements.

During the compliance period the U.S. has signed 27 FATCA intergovernmental agreements with Barbados, Moldova, Cyprus, Bulgaria, Curacao, Qatar, Kosovo, Belarus, Croatia, Uzbekistan Kuwait, Cambodia, Colombia, Georgia, Holy See, Iceland, India, Montserrat, Philippines, Portugal, Romania, St. Kitts and Nevis, St. Vincent and the Grenadines, Slovak Republic, Korea, Turkey, United Arab Emirates.²⁰⁶⁹

During the period under review the United States has taken steps aimed at strengthening international cooperation in the sphere of beneficial ownership transparency but has failed to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks. Thus, it has been awarded a score of 0.

Analyst: Tatiana Lanshina

European Union: +1

The European Union has partially complied with the commitment on beneficial ownership transparency.

The European Union has taken actions to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks.

On 18 March 2015, the European Commission presented a Tax Transparency Package to provide greater openness of Member States' corporate tax regimes, make companies more accountable for their tax practices

²⁰⁶⁶ Regulation 13D-G, Title 17, Chapter II, Part 240, Electronic Code of Federal Regulations. Access: 5 May 2015.

http://www.ecfr.gov/cgi-bin/text-idx?SID=8e0ed509ccc65e983f9eca72ceb26753&node=17:4.0.1.1.1&rgn=div5#se17.4.240_113d_63.

²⁰⁶⁷ S. 1465 (113th): Incorporation Transparency and Law Enforcement Assistance Act, Govtrack. Access: 11 October 2015.

<https://www.govtrack.us/congress/bills/113/s1465>.

²⁰⁶⁸ Financial Secrecy Index, USA, 7 November 2013. Access: 12 April 2015. <http://www.financialsecrecyindex.com/PDF/USA.pdf>.

²⁰⁶⁹ FATCA - Archive, The U.S. Department of the Treasury. Access: 4 October 2015. <http://www.treasury.gov/resource-center/tax-policy/treaties/Pages/FATCA-Archive.aspx>.

and tackle corporate tax avoidance effectively. In order to achieve these goals the Member States will be obliged to exchange information on their tax rulings. This package will also help the tax authorities to gather adequate, accurate and current information regarding the beneficial ownership of legal persons.²⁰⁷⁰

On 20 April 2015, the European Council adopted its position at first reading on new rules aimed at preventing money laundering and terrorist financing. The new directive and regulation, legally binding for all the EU member states, are to strengthen the EU rules against money laundering and ensure consistency with the international approach, implementing the recommendations by the Financial Action Task Force (FATF). The regulation contains, inter alia, requirements that beneficial owners are listed in central registers in EU countries, which are to be made accessible to the interested stakeholders.²⁰⁷¹

The EU has taken actions to enforce cross-country cooperation, including information exchange on beneficial ownership with international counterparts.

On 8 July 2015, the European Parliament voted a non-binding resolution stating that the EU and its member states should make multinationals report their financial performance, tax details, assets and employee numbers country by country, so as to help fight tax evasion and illicit money flows in developing countries. In the resolution it is also stated that information on beneficial ownership of companies should be made publicly available in open-data formats to prevent anonymous shell companies and comparable legal entities being used to launder money, finance illegal activities or terrorist activities. The European Parliament also called on the European Commission to put forward an action plan to support developing countries in fighting tax evasion and tax avoidance.²⁰⁷²

European Union has acted to implement the G20 High-Level Principles on Beneficial Ownership Transparency related to improving its domestic legal, regulatory and institutional frameworks, and strengthening international cooperation. Thus, it has been awarded a score of +1.

Analyst: Andrey Shelepov

²⁰⁷⁰ Combatting corporate tax avoidance: Commission presents Tax Transparency, European Commission 18 March 2015. Access: 18 April 2015. http://europa.eu/rapid/press-release_MEMO-15-4609_en.htm

²⁰⁷¹ Money laundering: Council approves strengthened rules, European Council 20 April 2015. Access: 19 May 2015. <http://www.consilium.europa.eu/en/press/press-releases/2015/04/20-money-laundering-strengthened-rules/>.

²⁰⁷² Tax: MEPs advocate country-by-country reporting to help developing countries, the European Parliament 8 July 2015. Access: 10 October 2015. <http://www.europarl.europa.eu/news/en/news-room/content/20150703IPR73914/html/Tax-MEPs-advocate-country-by-country-reporting-to-help-developing-countries>