

BENEFICIAL OWNERSHIP TRANSPARENCY: CASE STUDY

UK'S PUBLIC REGISTRY & REQUIREMENT FOR OVERSEAS TERRITORIES

This case study is part of a retrospective evaluation sponsored by [TAI](#) to assess the roles and contributions of TAI funder members & grantee partners in achieving select policy outcomes advancing global beneficial ownership transparency (BOT) from 2016-2021. See full report for insights across outcomes.

WHAT WAS THE OUTCOME?



In 2016, the UK Government launched a register of beneficial ownership known as the People with Significant Control (PSC) register. In 2018, as part of the Sanctions and Anti-Money Laundering Act, this requirement was extended to all British Overseas Territories (initially by the end of 2020 and later extended to the end of 2023).

WHO CONTRIBUTED TO THE OUTCOME?

TAI FUNDERS

OSF, Luminate, FCDO (DFID), Hewlett

GRANTEE PARTNERS

- European Network on Debt and Development (Eurodad)
- Financial Transparency Coalition
- Global Witness
- Open Government Partnership
- ONE Campaign
- Open Corporates
- OpenOwnership
- Publish What You Pay
- Tax Justice Network
- Transparency International
- Transparency International -UK

In 2010, for the first time in six decades, the United Kingdom had a coalition government led by Prime Minister David Cameron and Deputy Prime Minister Nick Clegg. Beneficial ownership emerged as a bi-partisan issue, with Liberal Democrats eager to support business regulation and PM Cameron committing to the “three T’s” — trade, tax, and transparency — during the UK’s presidency of the G8 in 2013. Civil society actors played a critical role in shaping the conversation through close relationships with bureaucrats and thought leaders (e.g., economist Paul Collier) who were influential to PM Cameron’s commitment to launching a public beneficial ownership register. Civil society organizations were also responsible for technical research, public campaigns, and amplifying investigative journalism that highlighted scandals like the Starbucks tax evasion in 2013 and Panama Papers in 2016 to leverage public opinion.

After nearly a decade of civil society laying the groundwork through research and advocacy, members of Parliament passed the Small Business, Enterprise, & Employment Act in 2015, which enabled the creation and support of a public beneficial ownership registry on a government sponsored website known as Companies House. In 2016, the UK Government held the London Anti-Corruption Summit, where they officially launched the People with Significant Control (PSC) register.

Two years later, cross-party champions, Margaret Hodge of the Labour Party and Andrew Mitchell, Secretary of State of International Development, put together the 2018 Illicit Finance Act that extended the public registry recruitment to overseas territories by 2020 (now extended to 2023). Civil society actors applied pressure to pass the bi-partisan amendment before the final Brexit referendum.

HOW WAS THE OUTCOME ACHIEVED?

Starting in the mid-2000s, civil society organizations (e.g., Global Witness, Transparency International, Save the Children, among other UK-based NGOs) began laying the groundwork for research and advocacy efforts to make a case for beneficial ownership disclosure and transparency in the UK as a mechanism to end anonymous companies and create an enabling environment to solve systemic problems. Global events, such as the Arab Spring uprisings in 2011 and the Revolutionary of Dignity in Ukraine in 2014, resulted in increased global focus on corruption and the role of money laundering in Western countries enabling tax evasion, terrorist financing, human trafficking, and environmental destruction.

MOST CRITICAL ENABLING FACTORS

GLOBAL EVENTS WITH LOCAL IMPLICATIONS

- Global movement towards anti-corruption and tax justice
- Collapse of Enron in the US
- Geopolitics between UK and Russia
- International Consortium of Investigative Journalists' coverage of Offshore Leaks in 2013
- Panama Papers exposed in 2016

LOCAL EVENTS & OPPORTUNITIES

- Prime Minister David Cameron's commitment to tax, trade, and transparency during the UK's G8 presidency
- Bi-partisan support from coalition government
- London Anti-Corruption Summit, which occurred strategically before the Brexit vote
- Starbucks tax evasion scandal in the UK

MEDIA COVERAGE

- Established networks between civil society organizations and journalists to draw attention to issues, build public support, and cover scandals

ROLE OF CIVIL SOCIETY

- Civil society built momentum for BOT starting with the formation of the Financial Action Task Force in 1989 and building upon international technical discussions taking place at the G20.
- Strong trust and collaboration instead of competition among civil society organizations;
- Conducted technical research and cost benefit analyses
- Prepared case studies and legal arguments

INDIVIDUAL CHAMPIONS

- Long-term relationships between civil society leaders across different organizations
- Economist Paul Collier who advised PM Cameron
- Civil society organizations had access to influential UK Cabinet members and political advisors

CROSS-SECTOR MOTIVATIONS

- Attached to other issues that policy makers and the public cares about (e.g., human trafficking, climate change, healthcare)
- Federation of Small Business supported BOT

GLOBAL STANDARDS AND NORMS

- G20 monitoring report was released, adding pressure for overseas territories
- EU ALMD5 also added pressure for overseas territories.

BIGGEST BARRIERS TO PROGRESS

- Poor implementation and lack of plans for reforms
- Weak enforcement
- London property market remains corrupt
- Loopholes still exist for overseas territories
- Evidence base is still nascent and the impacts of the register are yet to be understood
- Lag time between commitment and action
- Many civil society organizations were only committed to the policy win, but not implementation

DIRECT FUNDING OUTCOMES

- Increased connectivity across civil society organizations through convenings
- Funders were a resource and "curator" of knowledge sharing networks
- Grantee partners appreciated the flexibility and trusted relationships with funders, who were very embedded in the work itself

ADDITIONAL OR UNINTENDED OUTCOMES

- UK leadership on BOT and launch of public registry spurred global attention and led 11 countries to make commitments at the London Anti-Corruption Summit.
- Funding has shifted out of advocacy donors into multi-laterals as it has moved from a niche issue to global norm.
- Early success from groups like Global Witness attracted additional funding.
- There are still unknown implications. However, a follow-up case study is currently being conducted to assess actual impacts since the registry.

SIGNIFICANCE OF OUTCOME

The UK's public BO registry was lauded as the first publicly available register of the beneficial ownership of companies in the G20, and helped the UK justify its push for beneficial ownership transparency worldwide. It is important to acknowledge how the UK's leadership on the issue pushed the EU to adopt a stronger Anti-Money Laundering Directive (covering 28 countries), which spurred global momentum. Although there continues to be barriers for implementation (e.g., verification, data quality, technical loopholes in legislation, lack of evidence of intended impacts), civil society and public sector champions pushed for the requirement to extend to overseas territories — globally significant tax havens and secrecy jurisdictions — signaling a commitment to the policy.

BIGGEST LESSON LEARNED

Transforming beneficial ownership transparency from a niche issue into a viable policy outcome required a dedicated network of advocates, civil society leaders, and individual champions in the public sector. The trusted, long-term, formal and informal relationships within civil society and with bureaucrats was essential for building support. However, there is a difference between policy commitment and implementation that has yet to be rectified.