

# EITI Global Conference 2023



**Opening  
Extractives**

Unlocking the benefits  
of ownership data

**Advancing beneficial ownership transparency in  
Zambia through the Opening Extractives  
programme**

**Presenter: Mutinta Hadunka**



# The OE programme and beneficial ownership in Zambia

- The EITI and Open Ownership (OO) have partnered to deliver Opening Extractives (OE), an ambitious global programme to catalyse the availability and use of beneficial ownership data. The programme combines political and technical engagement with participating countries to implement reforms on beneficial ownership disclosure in the extractive sector.
- The sampling frame for this analysis was the list of companies (31) that were reported in the 2021 Auditor General's (AG) report to have filled nil declarations for mineral royalty tax despite holding export permits and exporting various minerals including copper, manganese, and cobalt.
- According to the 2021 AG's report, 31 companies had exported minerals worth K2,811,701,989 without paying K140,585,099 in Mineral Royalty Taxes (MRT) to the Government. However, from our analysis of the 23 companies that were sampled, the gross possible loss to the Government was K140,379,559, representing 99.85 percent of the total potential revenue loss reported by the AG.

# Why are such programmes so important?

---



Influence public policy in relation to tackling non-compliance with BO requirements and associated risks by mining operators.



Stimulate interest among Civil Society, media and the general public to use BO information to mitigate corruption risks in the mining sector.



Accelerate progress on reforms to increase BO disclosure by highlighting critical gaps in the area of access and providing an alternative to data availability.



Make a case on how BO disclosure could be used to promote Domestic Resource Mobilisation.

# Key steps the programme is taking

1

Set Criteria to Selection of companies

2

Access BO Data from Company Registry

3

Profile & analyse the companies

4

Get additional data (Tax payments, compliance requirements, BO data from other sources)

5

Map ownership chains, estimate impact of non-disclosure & non-compliance

6

Advocacy, Public awareness, exchange learning



# BENEFICIAL OWNERSHIP

## Cases on Non-remittance of Mineral Royalty in Zambia

[About](#)

[View All Cases](#)

[Business Verification \(PACRA\)](#)

[List of Acronyms](#)



# Findings and opportunities in Zambia

- No BO declarations on all 23 selected companies obtained from PACRA
- Non-compliance to filing annual returns
- Non-remittance of MRT resulting in significant loses to Treasury
- Involvement of PEPs, especially in relation to SOEs

## Opportunities

- ✓ Engagement and awareness with private sector on the business case and legal requirements of BO disclosure
- ✓ Strengthening, harmonizing laws & regulations
- ✓ Deepening analysis e.g. inclusion of environmental compliance & other statutory requirements (e.g. payment of ground rates & sub-national payments); layering legal data & asset declarations on named PEPs.
- ✓ Advocacy to enhance institutional & legal reforms on BOT