

This guide was prepared by the EITI International Secretariat in cooperation with OpenOwnership. It accompanies the EITI model beneficial ownership declaration form for high quality data collection, available here: <https://eiti.org/document/beneficial-ownership-model-declaration-form>. For questions or comments, please contact secretariat@eiti.org

Guide to the model beneficial ownership declaration form for high quality data collection

Q&A on usage for form designers and administrators

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Beneficial ownership declaration form

Place your logo(s) here

Guidance for companies

1. Fill out the main 'COMPANY DECLARATION' sheet. Follow directions to fill out any supplementary sheets as required.
2. All fields marked with an asterisk (*) are required.
3. Place your pointer over cells with a ⓘ to see supporting information.
4. Fields which require your input are marked in grey (unless marked with "for admin only"):
5. Fields which guide the person filling out the form are held blue:
6. Values which will not be publicly shared will be highlighted in yellow and have an accompanying <text> This will not be made public
7. For questions on filling in this form, please contact [Name or Office of form administrator, email / phone number]

Background

The EITI Standard requires implementing countries to ensure that companies that apply for or hold a participating interest in an oil, gas or mining license or contract in their country disclose their beneficial owners. To support implementers in achieving this, the International Secretariat, together with OpenOwnership, has developed a version of the beneficial ownership declaration form that is suited to collect high quality and structured information.

This is the guide to assist form designers and administrators in adapting or using the form for data collection. It complements the basic beneficial ownership declaration form which has been part of EITI guidance since 2016 for meeting **Requirement 2.5 of the EITI Standard**.¹

Can we give this model form to companies as it is, so that they can declare their beneficial owners?

The short answer is no. It needs to be adjusted to include the definition of beneficial owner in your country. If possible, it should reference the national legislation mandating the collection of this information. The form would also work better if rendered as an online webform.

The form is designed to show good practice in form design for collecting structured beneficial ownership data to meet EITI Requirement 2.5. Designing a form involves clarifying specific needs, identifying the information you want to work with, and then devising a design that meets your needs and those of people completing the form. This model form provides a robust starting point to collect information as required by the EITI, but it is generic. It needs to be adjusted to fit your country's context.

The form is aligned with the Beneficial Ownership Data Standard.² The form's Excel format means it can be shared, edited and commented upon to support discussions around form design. We recommend using the Excel form as the basis for a prototype webform. A custom webform, designed in-country and tested with local firms, will ultimately be best suited for local use. This beneficial ownership declaration form, once customised, can complement existing forms that capture other information about companies, such as those used in a company register. Ideally, if information on companies disclosed via the form already exists in a government system, it would be pre-loaded into the form.

¹ See <https://eiti.org/document/eiti-standard-2019#r2-5> for the requirement in full. And the guide (<https://eiti.org/beneficial-ownership#eiti-guidance-and-publications-on-beneficial-ownership>) for further guidance on beneficial ownership transparency.

² <http://standard.openownership.org/>. The Beneficial Ownership Data Standard (BODS) establishes a common structure for information collected about the real owners and beneficiaries of companies. When data is structured using a common standard, the information ("data") can be more easily shared, verified and used. There is a common understanding of what the different data points represent. Data from different companies and different countries can be combined, visualised and analysed, greatly increasing its value.

See: Should we align the form with our company register, extractives licensing system (or other company-centred database)? for further guidance.

How do we design a good quality form, if we need to customise this model form, or build our own?

Well-designed forms make it as easy as possible for the people completing the forms to provide accurate and unambiguous information. This reduces the number of accidental errors. Submitting more accurate information becomes easier, while disguising deliberately false information as mistakes becomes harder.

Broadly, once the form is created you should be able to answer ‘yes’ to the following questions.

- Is it clear what people and companies will fall into the scope of the disclosure process?
- Is the form’s structure easy to understand and navigate?
- Is it easy for people to supply good quality data for each field?
- Can form submissions be linked to data in other official databases, so that companies don’t have to submit the same information multiple times?

Testing the form with a representative sample of companies will help you re-draft and improve it. It is also recommended to involve government agencies which are potential users of beneficial ownership information to review examples of filled-in forms.

At the design stage, the kinds of features that will help people complete forms are:

- Offering definitions of terminology at the point that people need them.
- Either hiding sections of forms which are not applicable, or providing clear signposting. (For example: “If you answered ‘yes’ do not complete section C.”)
- Using plain language where possible.
- Providing examples where it will aid people’s understanding.
- Being clear about the format in which answers are expected. (For example: “Provide dates in DD/MM/YYYY format”.)
- Providing selection lists rather than free-text entry where relevant.
- Stating clearly which fields are required and which are optional.
- Stating which information is for internal use only and will not be openly published.

Aside from those general points about form design, there are some specific considerations that you should give to beneficial ownership forms.

First, companies may want to comply with the disclosure requirements but may find it difficult to uncover the information required of them. Forms should provide a way for companies and individuals to declare that they have tried and failed to collect the required information. For example, in the model form a beneficial owner whose details are unknown can be flagged as an ‘unknown person’ (see the ‘4(e) Beneficial owner’ sheet, part (i)).

Secondly, the form should be designed, or customised, to minimise the collection of information that companies have already submitted to other state or regional systems. See ‘Should we align the form with our Company Register (or other company-centred database)?’

Is this model form suitable for use in all countries?

The actual information contained in the fields of any completed form depends on:

- A. **Which people and organisations meet the domestically-defined criteria** for disclosure.
- B. **The level of detail** required about them and their interests in the declaring organisation.

We have included ‘placeholders’ in the form for these country-specific definitions. See ‘How can we customise the form to include our own definitions related to beneficial ownership?’ below.

Thinking about the level of detail disclosed via the form (B), meeting EITI Requirement 2.5 demands that certain fields are included. (For example: name of the beneficial owner, their nationality, and their country of residence.) However, Requirement 2.5 leaves other decisions to the multi-stakeholder group: disclosures “should include [...] details about how ownership or control is exerted”³. Decisions about what these ‘details’ are have to be made, even when designing a generic form. In this sense, the form reflects an ‘artificial’ set of policies, regulations and related decisions.

Guided by considerations of what makes for good quality, interoperable data in the field of beneficial ownership, our standard framework requires disclosure of:

- All legal persons (both individuals and companies) which are direct, legal owners of the declaring company, where it is a registered private company.
- Beneficial owners that hold direct and indirect interests in the declaring company.
- Publicly listed companies that hold direct and indirect interests in the declaring company.
- The legal owner(s) via which indirect interests in the declaring company are held.
- Any state ownership and control of the declaring company, whether direct or indirect and independent of any particular definition of ‘state-owned enterprise’.

If disclosure requirements in your country are not broadly in line with the above disclosure requirements then this model form might not be the best basis for a prototype.

Also, the form might be easier to use for companies if its structure is redesigned to conform tightly to domestic requirements. For example, the form structure as it stands would not handle well a definition of a ‘beneficial owner’ which included the managing officials of state-owned enterprises. (The link between the beneficial owner and the relevant state-owned enterprise would not necessarily be collected.)

³ <https://eiti.org/document/eiti-standard-2019#r2-5>

How can we customise the form to include our own definitions related to beneficial ownership?

If you do want to align the model form with your country's legal or regulatory definitions, there are placeholders for the following:

- The definition of a beneficial owner;
- The definition of a politically exposed person;
- The criteria which make public listed companies with direct or indirect interests in the declaring company disclosable;

The 'Guidance' sheet of the model form has a section aimed at form designers and administrators. It contains pointers to the particular places in the form where the above information should be placed.

Note that there is no placeholder for a local definition of 'state-owned enterprise'; there is a reference to the definition used by the EITI Standard.⁴ The form's structure and fields would be dependent on the scope of such a local definition. We have focused instead on collecting good quality information about a state's interests in a declaring company, independent of any particular definition.

Are there other areas of the form which require extra attention?

Types of legal owners

In some jurisdictions, legal owners of companies can also be individuals. The form has been designed to consider both individuals and companies as legal owners.

If for your country context, only companies can be legal owners, you are advised to remove the reference to individuals as legal owners on the sheet 'COMPANY DECLARATION', question 4(d), and on the work sheet '4(c) Legal ownership', adjust the title (Legal ownership by companies ~~and individuals~~) and remove table (ii).

You may also wish to adjust the language used on these sheets so that other legal entities, apart from companies such as trusts, non-government organisations and civil society organisations, are also recorded as legal owners.

⁴ See <https://eiti.org/document/eiti-standard-2019#r2-6> 2.6) a.i, second paragraph

Types of interest in the declaring company

As required by the EITI Standard, this form will collect details about how ownership or control is exerted by beneficial owners. Using the Beneficial Ownership Data Standard⁵ as a guide, the default list of interests that beneficial owners and others may hold in a firm are:

- Shareholding
- Voting rights
- Appointment of board
- Other influence or control
- Senior managing official
- Rights to surplus assets on dissolution
- Rights to receive profits or income
- Rights granted by contract
- Conditional rights granted by contract

There may be other types of interests which are relevant to the regulatory definitions adopted in your country. The enumeration and description of the particular interests relating to each case of beneficial ownership are a key aspect of the form. The format is repeated for publicly listed companies (sheet 4(d)), beneficial owners (sheet 4(e)) and for state ownership (sheet 7). You should customise this aspect of the form in a way which fits your context and works for the companies which will be making declarations.

Status of beneficial owner

Sheet '4(e) Beneficial Owner' is used to declare who the beneficial owners are of the declaring company, where applicable. The first section of the sheet acknowledges that the identity of beneficial owners may not be retrievable, or that a beneficial owner's identity might be protected (anonymised) under special legal provisions.

The status of the beneficial owner can be:

- Known person,
- Unknown person, or
- Anonymous person

Where the beneficial owner is known and information about them can be supplied, companies will select 'known person'. The details of the person will then be supplied in the fields below.

⁵ <http://standard.openownership.org/>

In some cases the identity of the beneficial owner is not (yet) known to the person filling out the declaration. Then the person filling out the form should choose the status “Unknown person” and provide more details about why the information is missing.

Where the beneficial owner has been identified, but information about them cannot be disclosed, select 'anonymous person'. For example, there may be legal measures in place to protect beneficial owners' identity where otherwise they would be at risk of violence or intimidation. In such a case, a beneficial owner may have applied to the government or relevant authority to have their details protected. This is the case, for instance, in the UK.⁶

There may be more precise and meaningful terminology in your national legislation and regulations which should be used in place of the general terms used above. In practice, most beneficial owners should be known persons. The principle, however, is that it is better to highlight a gap in knowledge, rather than not know the gap exists. This is an important aspect of reporting beneficial ownership. It both reduces the opportunities for deliberately false reporting and supports the work of administrators and investigators.

Transliteration of names

There are fields on the form for collecting a transliterated version of the declaring company's name and of the beneficial owners names. Providing a version of a person's or company's name in alternative character sets can make the joining and comparison of datasets easier. Fields for alternative names have not been provided for all intermediate companies (for the sake of brevity in the form) but can be added when the form is customised. You can remove these fields if transliteration is not necessary in your country.

Nominees

You should consider your legal requirements around disclosing nominees and nominee shareholdings, as related to your definition of beneficial ownership. This form assumes that nominees acting on behalf of a beneficial owner, are not defined as beneficial owners.

If a nominee is acting on behalf of a beneficial owner, you may want to collect some limited information about nominees. On sheet '4(e) Beneficial owner', on the table at the bottom, you can enter the name of the person acting as a nominee. If this form were transposed into an online form, it could be adjusted to collect additional information such as country of residence/registration and identification number.

Where the nominee is, in fact, one of the direct legal owners, please ensure that the name reported in the column “Nominee name” matches that of the direct legal owner under sheet '4(c) Legal ownership'.

⁶ Section 790ZG of the Companies Act 2006.

Fields for administrative processing

We have provided support for the administration of the disclosure process: a dedicated 'Office use only' sheet, plus a summary of this information at the top of the 'COMPANY DECLARATION' sheet. The fields allow the form to be linked up to cadastral and licensing systems. It also allows for the management of the form as it passes from administrative authorities to the declaring company and back again. See 'How does the form fit with our existing licensing system and administration?' for more information.

Attestation

To improve the reliability of the information submitted by the form, the form includes a section called "Attestation" (8) at the bottom of the 'COMPANY DECLARATION' sheet. Some countries require that the form signed by a member of the senior management team or senior legal counsel. Review the description of these fields to ensure that they are in line with your requirements.

Should we align the form with our company register, extractives licensing system (or other company-centred database)?

Yes. Companies may be submitting information to state and regional authorities on several fronts. For example, a company may be domestically registered and required to maintain accurate details on a state business registry. It may also be listed as an officially recognised provider of services on a government database or submit documentation as part of its applications for an oil, gas or mining license. Duplication of information creates unnecessary overheads.

The form used for collecting beneficial ownership information should complement existing systems. That means, the form should link up to those other systems, or draw information from them, rather than require the submission of duplicate information. The benefits of such alignment are two-fold. For companies, the administrative burden is minimised. For instance, if they change their registered address they need only notify one authority. For government and official authorities, they will spend less time resolving conflicting information about the same company across multiple systems.

The key mechanisms for alignment are: requiring and verifying company identifiers (e.g. company number and business register), drawing in information from other systems, and administrators referring out to records in other systems. See 'How does the form fit with our existing licensing system and processes?'.

How does the form fit with our existing licensing system and administration?

We have provided a generic 'Form administrator only' sheet to:

- Help you think about the administration required around beneficial ownership declarations; and
- Make the links to licensing and cadastral management systems that are already in use.

This sheet will need extensive customising so that it fits your country's systems. We have set out three broad sections to help guide your work in this respect.

1. Administrative tracking
2. Data review and verification
3. Publication information

The **administrative tracking** section allows you to follow and track the issuing of the form and its return. Most fields in this section should be completed prior to the declaration form being sent to the company for completion. We suggest that each declaration is given a unique company filing ID. Also, if a company has completed a declaration in the past, the prior company filing ID should be noted. This allows changes over time to be visible.

There are also fields in this section to link the company filing to records in other systems (f. external references). Linking to records about the company and its activities in other systems will enable administrators and users to connect information up. As an example, we have assumed the existence of a licence management database. The name of the mine or extractives project plus a licence ID can be recorded here. There are placeholders for second and third systems.

Finally, it is in this administrative tracking section that you can note whether the declaring company is part of a joint venture. (We suggest issuing a shared 'joint venture ID' for the partners in a joint venture.)

The **data review and verification section** should be completed after the form has been returned (or instead of the form being sent, if the company is exempt from the disclosure process). Again, there are placeholders for particular questions or links to external verification systems and reports. For more information on good practice in verification of beneficial ownership data, see the 'Verification of Beneficial Ownership Data' Policy Briefing from OpenOwnership⁷.

The **publication information** section is where you should record the name of the authority publishing the declarations openly, plus the license under which the data is published. Publishers are encouraged to use a Public Domain Dedication or Open Definition Conformant license.⁸

⁷ See <https://www.openownership.org/uploads/OpenOwnership%20Verification%20Briefing.pdf> or <https://www.openownership.org/resources/?resource-type=briefings&topic=verification>

⁸ <https://opendefinition.org/licenses/>