

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2016 - 2017

Division/Agency: Financial System Division

Question No: 251

Topic: Public Register of Ultimate Beneficial Ownership

Reference: Written

Senator: Ketter, Chris

Question:

1. The draft and final Open Government Partnership documents have different timeframes. Specifically, on a beneficial ownership registry, can you confirm the start date for consultation was pushed back from “late 2016” to “February 2017”?
2. Was Treasury consulted on the appropriate timeframes for consultation on the beneficial ownership registry?
3. What caused the timeframe on consultation to be pushed further out?
4. In the draft Open Government Partnership plan, Milestone 4 was “Recommendation to Government on other related areas of beneficial ownership transparency considered during consultation”. This milestone is not in the final document. Why was it removed?
5. What are the related areas of beneficial ownership that were expected to be canvassed?
6. In the final Open Government Partnership document, Milestone 3 is to “begin work to implement Government decision on transparency of beneficial ownership of companies”. The end date is described as “Expected to continue for the duration of this Plan”. What is the end date of the Open Government Partnership Plan?
7. Does Treasury expect work to be completed within a year of the plan ending?
8. What legal entities does Treasury expect to be covered by the registry?
9. Can Treasury provide a list of the types of legal identities or arrangement being considered for the registry?
10. Are trusts considered part of the scope of a beneficial ownership registry, particularly if they fit the Financial Action Task Force definition of “legal arrangement”?
11. The beneficial ownership register consultation paper was released in February 2017 . It states:
The FATF recommends that countries should ensure that there is adequate, accurate and timely information on express trusts, including information on the settlor, trustee and beneficiaries that can be obtained or accessed in a timely fashion by competent authorities. This consultation paper, however, only deals with FATF Recommendation 24 on companies”.
12. Why are trusts carved out?
13. When was the decision to carve out trusts made?
14. Was Treasury directed by Government to remove trusts from this consultation?
15. When will Treasury consult on the beneficial ownership of trusts?
16. Will the timeframe for implementation of a beneficial ownership of trusts be beyond that of the company register?

Answer:

1. The consultation date of February 2017 was chosen to avoid consultation over the Christmas period.

2. The consultation period of one month was determined by the Minister for Revenue and Financial Services and is consistent with best practice and aligns with the standard period for consultation papers released by Treasury portfolio Ministers.
3. See response to Part 1.
4. The final Open Government National Action Plan (OGNAP) reflects the commitment to provide one overall recommendation to Government in July 2017.
The final OGNAP provided clarity that the 'other related areas of beneficial ownership transparency' related to the use of nominee shareholdings to conceal beneficial ownership.
5. See response to Part 4.
6. Australia's Open Government National Action Plan is for the two year period 2016-18.
7. It is not possible to determine the answer to this question given the stage this work is at.
8. As set out in the OGNAP, the commitment on beneficial ownership transparency relates to companies.
9. See response to Part 8.
10. The Government is consulting on the details, scope and implementation of a beneficial ownership register for companies.
The Government will consider issues relating to the beneficial ownership of other types of legal arrangements consistent with Australia's international commitments.
11. See response to Part 10.
12. See response to Part 10.
13. See response to Part 10.
14. See response to Part 10.
15. See response to Part 10.
16. See response to Part 10.