

Creation of a Beneficial Ownership Register

For TTEITI

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Table of Contents

EXECUTIVE SUMMARY	4
1. INTRODUCTION	6
1.1 Scope.....	6
2. GAP ANALYSIS.....	8
2.1 Methodology	8
2.2 Gap analysis results	9
2.3 Findings.....	10
2.4 Company Register and domestic law.....	14
2.4.1 The Trinidad and Tobago Company Register (TTCR).....	15
2.4.2 Declarations by public officials	16
2.4.3 Petroleum Registers	16
3. REVISED BENEFICIAL OWNERSHIP REGISTRY.....	18
4. NEW REPORTING TEMPLATE.....	21
5. RECOMMENDATIONS.....	22
APPENDIX 1: REVISED BENEFICIAL OWNERSHIP REGISTRY	26
APPENDIX 2: REVISED BENEFICIAL OWNERSHIP REPORTING TEMPLATE	26
APPENDIX 3: EITI REQUIREMENT 2.5 ON BENEFICIAL OWNERSHIP	27
APPENDIX 4: INDEPENDENT ADMINISTRATOR COMMENTARY AND RECOMMENDATIONS	29
APPENDIX 5: STAKEHOLDERS.....	32
APPENDIX 6: REFERENCES	34

Abbreviations and acronyms

EITI	Extractive Industries Transparency Initiative
FATF	Financial Action Task Force
IA	Independent Administrator
MBC	Michael Barron Consulting Ltd
MEEI	Ministry of Energy and Energy Industries
MSG	Multi-stakeholder Group
PEP	Politically Exposed Person
PSC	Production Sharing Contract
PSC Register	The UK's Register of Persons with Significant Control
TTCR	Trinidad and Tobago Company Register
TTEITI	Trinidad and Tobago Extractive Industry Transparency Initiative
TTEITI 2016 Report	The TTEITI report for the period 1 October 2015-30 September 2016

Executive Summary

TTEITI selected Michael Barron Consulting Ltd to undertake a gap analysis of its current beneficial ownership registry against the requirements of the 2016 EITI Standard and to produce both a revised registry and a revised reporting template as Excel spreadsheets.

The companies in scope for inclusion in the registry are those listed in TTEITI's report for the period 1 October 2015 to 30 September 2016 (TTEITI 2016 Report). We also used the Ministry of Energy and Energy Industries' Petroleum Registers as a source for companies in scope.

For this assignment, we reviewed the current TTEITI beneficial ownership register, its roadmap, the TTEITI report, other relevant TTEITI documents, Trinidad and Tobago's Company Register and relevant laws as well as other publicly available documents. We also interviewed a range of stakeholders both by phone and during a field trip on 10-12 October 2018 (see Appendix 5).

Our main finding is that TTEITI is in partial compliance with the 2016 EITI Standard. The failure of many companies to provide complete beneficial ownership details is the primary reason for this partial compliance. We identified only five cases where complete beneficial ownership details were submitted out of a total of 51 companies which were asked to submit beneficial ownership information.

We have compiled a beneficial ownership registry containing 68 companies based on the information collected by TTEITI, information obtained from the Company Register (TTCR) and other publicly available information. This registry is attached as Appendix 1 (a separate Excel file).

There is no legal obligation on companies to provide beneficial ownership information at present, but the Attorney-General's office has plans to introduce legislation in this area. However, the beneficial ownership definition in the draft bill does not meet the EITI requirement and the bill does not contain provisions for the public disclosure of beneficial owners. The laws of Trinidad and Tobago currently have a definition of beneficial ownership, but this also does not meet the EITI Standard.

Legislating for a central public register of beneficial owners would make the most significant contribution to improving beneficial ownership disclosure in Trinidad and Tobago. Such legislation would allow TTEITI to mainstream EITI

requirements, align Trinidad and Tobago with international best practice and allow the country to meet other international commitments in this area.

For the next EITI beneficial ownership reporting cycle, TTEITI should use a revised reporting template that allows the capture of all relevant information in a user-friendly format. A suggested template is attached as Appendix 2 (a separate Excel file).

The TTCR reveals beneficial ownership only in a limited number of cases, where a company is directly owned by individual natural persons as shareholders. Information in the TTCR is not freely accessible and is not presented in a user-friendly format.

We recommend that legislation on beneficial ownership contains provisions for the establishment of a central public register of beneficial owners. We also recommend reforms to the TTCR and that the Integrity Commission's statements of registrable interests are made freely available to the public.

1. Introduction

Michael Barron Consulting (MBC) is pleased to present this report to TTEITI on the creation of a beneficial ownership registry in line with the terms of reference. TTEITI selected MBC after a competitive tender process.

TTEITI is seeking to create a beneficial ownership register of companies in scope for reporting under the 2016 EITI Standard (see below, Scope). Under this Standard, implementing countries are required to report beneficial ownership information after 1 January 2020 (see below, Appendix 3). TTEITI has already undertaken beneficial ownership reporting as part of its EITI reporting and has established an online beneficial ownership registry, which is free to access.¹

EITI is one of a number of international initiatives that is driving increased transparency in the beneficial ownership of companies. Beneficial owners are, in most cases, the real people who ultimately own or control a company. Publicly listed companies and governments can also, in some cases, be beneficial owners. Beneficial ownership disclosure plays an important role in improving the integrity of the business environment for the extractive industries. This disclosure contributes to companies operating responsibly, allowing them to know who they are doing business with and creating a more open business environment. Beneficial ownership disclosure also plays an important role in combatting corruption, money laundering and other illicit financial flows. The drive towards beneficial ownership disclosure at an international level started with a desire to detect and prevent financial crimes but recognition is growing of the wider advantages to the investment environment.

1.1 Scope

The beneficial ownership disclosure obligations under the 2016 EITI Standard are contained in Requirement 2.5 of the Standard (see Appendix 3). This report is concerned only with this Requirement. The companies in scope for reporting beneficial ownership information are those that hold an interest in one or more of the following in Trinidad and Tobago:

1. A licence to explore for oil, gas or minerals,

¹ <http://www.tteiti.org.tt/industry-overview/beneficial-ownership-declaration/beneficial-ownership-registry/>

2. A production sharing contract covering an oil or gas field,
3. A licence to extract minerals.

These companies can be identified from:

- TTEITI's most recent report for the period 1 October 2015 to 30 September 2016 (the TTEITI 2016 Report). These companies are listed in the table in section 4.2 of that report (p80). The oil and gas companies in scope are also listed in section 6.1.3 (p104-105) and the mining companies are listed in section 6.2.3 (p108);
- The Ministry of Energy and Energy Industries' (MEEI) *Petroleum Registers (Production Sharing Contract and Exploration and Production)*.

2. Gap analysis

2.1 Methodology

We conducted the gap analysis in the following stages:

1. We divided EITI Requirement 2.5 (see Appendix 3) into mandatory and recommended elements. Mandatory elements are those that use language such as “required” or “should”. We included in the mandatory provisions, those elements that will become mandatory from 1 January 2020. Each clause of the Requirement can contain several elements and so we also separated these out. For example, clause b has five separate requirements: documenting government policy, legal provisions, actual disclosure practice, reforms underway or planned and MSG discussion of beneficial ownership. All elements that are not mandatory are considered recommended. We arrived at 20 mandatory and seven recommended elements.
2. We mapped the existing TTEITI beneficial ownership register and TTEITI Report for 1 October 2015 to 30 September 2016 (the TTEITI 2016 Report). We also reviewed the TTEITI beneficial ownership roadmap and a report on beneficial ownership dated March 2018 and prepared by an external consultant Tira Greene.² We identified those elements of Requirement 2.5 with which TTEITI was fully compliant and those elements where there was partial or no compliance.
3. We conducted research on the current beneficial ownership disclosure available from the Company Register and the provisions that exist under the laws of Trinidad and Tobago. This included setting up an account with the Company Register and downloading files of companies in scope for reporting. We also reviewed the provisions of relevant laws including the Companies Act 1995 (as amended). We also reviewed a range of other publicly available documents such as press reports, legal analysis and beneficial ownership registers in other jurisdictions, particularly the UK register, which is known as the Register of Persons with Significant Control (PSC Register).
4. We mapped the information available from the Company Register and the current legal provisions on beneficial ownership against the elements of Requirement 2.5.

² <http://www.tteiti.org.tt/wp-content/uploads/Beneficial-Ownership-Report.pdf>

5. We undertook interviews with relevant stakeholders by phone and during a field visit (10-12 October 2018). See Appendix 5 for a list of stakeholders.

The results of this gap analysis are summarised in Table 1 and are described in full below.

2.2 Gap analysis results

Table 1: Gap analysis summary

Key to table

Fully compliant	Partial compliance	Not applicable
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EITI Requirement 2.5	TTEITI EITI report & BO Registry	TT Company Register and TT law
Mandatory (required/should)³		
b. Document government policy		
Legal provisions		
Actual disclosure practice		
Reforms planned/underway		
Document MSG discussion on BO		
c. Request disclosure from companies ⁴		
Companies disclose BO information		
Identity of beneficial owners disclosed		
Disclosure includes level of ownership/control		
Disclosure includes how ownership/control exercised		
Report any gaps or weaknesses in disclosure		
Report names of companies that failed to disclose/disclosed incomplete details		
d. Beneficial owner details include name, nationality, country of residence		

³ Including provisions mandatory from 1 January 2020

⁴ “. . . corporate entity(ies) that apply for, or hold a participating interest in an exploration or production oil, gas or mining license or contract”

PEPs disclosed		
e. MSG agree approach to assurance of disclosure		
f.i. Definition refers to natural person who directly or indirectly owns/controls company		
f.ii. MSG agree definition that meets all conditions		
f.iii. Publicly listed companies, including subsidiaries disclose stock exchange listing and provide web link		
f.iv. Each entity in a JV provides details and assures accuracy		
g. Legal owners, including % share, also disclosed		
Recommended		
a. Maintain a public register of companies ⁵		
Identity of beneficial owners disclosed		
Disclosure includes level of ownership/control		
Disclosure includes how ownership/control exercised		
Guidance on how to access information		
d. Details disclosed include national identity number, date of birth, address, contact means		
e. Assurance through company declaration or supporting documents		

2.3 Findings

Our review of the existing TTEITI beneficial ownership register against the 20 mandatory elements of Requirement 2.5 found partial compliance. The register is compliant with eight of the 20 elements. The main reason for lack of full compliance is the failure of many companies to disclose beneficial ownership details either in part or in whole. In most cases, TTEITI is in partial but not full compliance with these elements.

The TTEITI beneficial ownership register is compliant with eight mandatory elements of Requirement 2.5. These eight elements are:

- Documenting government policy. The TTEITI 2016 report documents government policy in Section 3.3.5.
- The legal provisions relating to beneficial ownership are also described in line with Requirement 2.5.

⁵ As defined in Requirement 2.5

- The TTEITI 2016 report references discussions of the MSG concerning beneficial ownership.
- The Independent Administrator (IA) has requested companies disclose beneficial ownership information as it has issued a reporting template with a request for completion and submission.
- The Independent Administrator has also identified gaps and weaknesses in the beneficial ownership disclosure and these are set out in section 4.7 of the TTEITI 2016 Report.
- The MSG has agreed an approach to the assurance of the beneficial ownership information submitted by each company through acquiring a senior company official to certify and sign the reporting template.
- The beneficial ownership definition refers to natural persons, direct and indirect ownership and control.
- The MSG has agreed a beneficial ownership definition that meets all the conditions of Requirement 2.5. This includes the 10% threshold for reporting. This threshold is within the range of 5-25% given in EITI guidance. The definition also includes a requirement for the identification of PEPs.

We identified the following gaps between the mandatory elements of Requirement 2.5 and TTEITI's existing beneficial ownership disclosures:

- We could not find an explicit statement of TTEITI's "Actual disclosure practice" regarding beneficial ownership. The beneficial ownership page on the TTEITI website gives some information on the disclosure practice but lacks some detail such as links to the reporting template used and guidance given to companies. A good example of a disclosure policy is contained on p76 of the UK's third EITI report.⁶
- The requirement to document reforms planned or underway is partially met. The EITI Report identifies laws needing reform but gives no detail on actual progress.
- The most significant gap is the quality of beneficial ownership information disclosed by companies. Only 23 companies of the 51 companies sent a

⁶https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749749/uk-eiti-payments-report-2016-updated.pdf

reporting template submitted a completed form. While there are 23 reporting templates posted in the registry on the TTEITI website, one is a duplicate and one was omitted from the website. Out of the 23 separate returns, only five gave the correct ultimate beneficial owner information. In all five cases, the companies are ultimately owned by a listed company and the name of the listed entity was stated. There were eight examples of partial beneficial ownership disclosure. In seven of these cases, the company stated that it was ultimately owned by a listed company but then gave the name of a company as beneficial owner that was not a listed entity. Further research using publicly available sources verified the listed company ownership. In the remaining case, the company listed three natural persons as beneficial owners and another privately owned company as owner. Such a company is not a beneficial owner under the definition used by TTEITI. The remaining 10 cases reported the direct legal owner of the reporting entity.

- While all 23 of the companies that reported ownership information stated the level of ownership or control as required in the EITI Standard, as indicated above, in the majority of cases, this was not for the ultimate beneficial owner.
- The EITI Standard requires the reporting of a list of the companies that failed to disclose beneficial ownership or fail to disclose fully. The TTEITI 2016 report does not contain such reporting. Publishing the completed templates on the website by inference reveals those that failed to disclose. However, neither the website nor the report explicitly lists those companies that failed to report. In addition, there is no commentary on those reporting templates that did not fully disclose beneficial ownership details.
- The beneficial owner details for disclosure should include name, nationality and country of residence. The reporting template used by TTEITI did not ask for nationality or country of residence but these details were voluntarily provided in some cases.
- The EITI Standard also requires that PEPs specifically disclose their ownership. While the reporting template requested disclosure, there were no PEPs identified but this was not referenced in the EITI report. The definition of PEP in TTEITI's beneficial ownership roadmap does not contain any threshold for reporting the level of ownership. In the absence of a threshold, we assume the 10% threshold for disclosure of beneficial ownership applies. EITI, in its guidance, recommends that PEPs have a

lower reporting threshold and indicates that no threshold is also an option.

- All but one of the companies that submitted beneficial ownership details is ultimately owned by a listed company. The EITI Standard requires disclosure of the stock exchange names and a web link to the listing details. In no case was this information provided but we note that this information was not specifically requested on the reporting template.
- Clause f.iv of the EITI beneficial ownership requirement calls for each entity in a joint venture (JV) to provide beneficial ownership details and assurance on the accuracy of those details. The TTEITI register is in partial compliance with this element of the Requirement. The IA did not request that all companies that hold an interest in an exploration or extraction licence complete a reporting template. Reporting templates were sent to 51 companies but we have identified 68 companies in scope for reporting (see below, section 3, Revised Beneficial Ownership Registry). Where there is more than one entity with a share in a licence, it is not possible in all cases to ascertain the ownership details of all entities in a JV. To be fully compliant with this clause, each company participating in a JV should disclose its beneficial owners.
- Companies are also required to provide the details of their immediate legal owners. This information was requested on the reporting template but was not provided in all cases by those companies that submitted templates. This makes the TTEITI register only partially compliant with this element.

On the recommended elements of Requirement 2.5, TTEITI meets two of the seven elements that are not mandatory but are recommended. As with the mandatory elements, the main reason for the lack of full compliance is the same: the failure of companies to submit information or the submission of incomplete beneficial ownership details.

The key element that does not meet the recommended elements in full is the maintenance of a public register of companies. The TTEITI register is in partial compliance. TTEITI has established a public register but as noted above, the information in the register is not complete. In addition, the register does not yet have an update process in place.

Overall, we concur with the Independent Administrator's comments on beneficial ownership in section 4.7 (p87) of the TTEITI 2016 report (see

Appendix 4). Our findings align with the IA's findings on the registry and the reporting template. In particular, we agree that the company registration number should be used and that details of listed companies should be more comprehensive. We also agree that the reporting template needs to be redesigned to avoid ambiguity regarding the type and extent of information required. We present a revised reporting template in Excel format as Appendix 2.

2.4 Company Register and domestic law

In addition to the TTEITI register and report, we also reviewed other potential sources of information in Trinidad and Tobago for beneficial ownership details. In particular, we interrogated the Company Register⁷ and any existing provisions in domestic law for the disclosure of beneficial ownership details.

Overall, we found that the Company Register and laws of Trinidad and Tobago do not currently offer substantial support in identifying the beneficial owners of companies. There is currently no legal obligation for companies in Trinidad and Tobago to disclose their beneficial owners. However, the Attorney-General intends to introduce a draft bill to parliament to implement a requirement for companies to collect beneficial ownership information. This reform is designed to ensure Trinidad and Tobago's compliance with FATF standards. The FATF standards only require that the information is available to law enforcement agencies. Trinidadian law does contain a definition of beneficial owner in its Companies Act but this definition does not meet the EITI Requirement.

Similarly, the provisions on beneficial ownership in the draft law to amend the Companies Act, the Companies (Amendment) Bill 2018, do not meet the EITI Standard. There are two key aspects that fall short of the Standard. The definition does not contain an explicit reference to a threshold for ownership. In the absence of such a reference, it could be inferred that there is no threshold and that any level of ownership, however small, must be recorded and reported. The second aspect is that the bill does not have provision for a central public register of beneficial owners. The bill appears to have no provision for any central register but to require companies to collect beneficial ownership and to maintain a record of their beneficial owners.

⁷ <https://rgd.legalaffairs.gov.tt>

In the event that the Bill becomes law in its current form, there would be a misalignment between domestic law and the EITI beneficial ownership requirement. This would present a challenge to TTEITI's efforts to create a comprehensive public register of extractive industry beneficial owners that met the EITI Standard. TTEITI would continue to rely on a voluntary system for collecting and publishing beneficial ownership details. The risk of companies failing to provide such details would persist due to the continued lack of legal obligation for companies to submit beneficial ownership information.

2.4.1 The Trinidad and Tobago Company Register (TTCR)

As there is no legal provision for the submission of beneficial ownership information, the Company Register currently provides only limited scope to support such disclosure. The TTCR does, in a limited number of cases, provide details of ultimate beneficial owners of companies. This is only in cases where individuals own shares directly in the reporting company. Where a company is legally owned by another company, it is only possible to trace ownership back to natural persons if the owning companies are also Trinidad and Tobago-registered. Where a Trinidad and Tobago-registered company is owned by a foreign entity, it is not always possible to use the Register to locate beneficial ownership details. The exception is cases where the foreign entity is ultimately owned by a company registered in a country that has a public beneficial ownership registry, such as the UK.⁸ In these cases, it is possible to use the public register, such as the UK's PSC register, to identify beneficial owners.

In addition, other barriers exist to accessing information from the TTCR. Full information about a company is not free to access. A summary of company information consisting of name, address, registration number and status is available for free on the TTCR website. To access full details, users must set up a pre-pay account. A fee of TT\$20 must be paid to access each company file. It is not possible to set up an account remotely but must be done in person at the Company Register's office. These constraints limit the ability for members of the public to access the register freely.

The government has made a public commitment to improving availability of beneficial ownership information. This falls short though of a commitment to a public register. At the London anti-corruption summit in May 2016, the Trinidadian government pledged to work towards a registry of beneficial

⁸ At the date of this report there are three countries with public beneficial ownership registers: Denmark, the UK and Ukraine.

ownership information and ensuring law enforcement has effective access. It also expressed a willingness to consider sharing the information with law enforcement agencies in other countries.

2.4.2 Declarations by public officials

Trinidad and Tobago requires public officials to make two annual declarations on their personal financial situation and business interests to the Integrity Commission. The first is "to furnish a declaration of income, assets and liabilities."⁹ This declaration is "secret and confidential and shall not be made public"¹⁰ The second declaration is made along with this first declaration and is a statement of registrable interests¹¹ This statement should contain the following information: company directorships, beneficial interest in land, any other substantial interest whether of a pecuniary nature or not, which may appear to raise a material conflict between private interests and public duty.

The statement of registrable interests is available to the public but is not freely available. Members of the public must make a specific request to access the information. The register is not openly available and searchable online, for example. There is also no guidance on the Commission's website on how to request information on a statement of registrable interests. The latest available figures show that eight such requests were made in 2017.¹² The Commission does though publish lists of individuals who have failed to make an annual declaration.¹³ This includes officials with links to extractive companies.

2.4.3 Petroleum Registers

From the Ministry of Energy and Energy Industries' (MEEI) list of licence holders¹⁴ we identified a further 21 companies that appear to be in scope for reporting beneficial ownership information. These are companies that are listed on the MEEI's *Petroleum Registers (Production Sharing Contract and Exploration and Production)*. These companies hold an interest in an oil and gas exploration licence or in a production sharing contract (PSC). EITI

⁹ Section 11 of the Integrity in Public Life Act (IPLA)

¹⁰ Section 20 of the IPLA

¹¹ Section 14 of the IPLA

¹² p22, Integrity Commission Annual Report 2017, <http://integritycommission.org.tt/New/Reports/annu.pdf>

¹³ <http://integritycommission.org.tt/New/News/fail.pdf>

¹⁴ <http://www.energy.gov.tt/services/license-registers/>

Requirement 2.5 obliges all companies holding a licence for exploration and/or development of resources to report beneficial ownership information. We have added these companies to the revised beneficial ownership registry that we have produced as part of this project (see below)

Our review of the Petroleum Registers identified a small number of instances where the company name does not appear to have been entered in full. For example, we found one case where the company was simply named as "Shell". It was therefore not possible to identify the actual company that holds the licence interest. We also found a small number of examples where the company listed as holding the licence was not listed in the TTCR. In addition, we also identified a number of typographical errors.

3. Revised Beneficial Ownership Registry

In line with the project's terms of reference we have created a revised beneficial ownership registry in Excel spreadsheet format. This registry forms Appendix 1 to this report and is in a separate document. The registry lists in alphabetical order all the oil, gas and mining companies that we believe are in scope for reporting beneficial ownership information in Trinidad and Tobago under the EITI requirement. In compiling this registry, we used the following sources of information:

- The TTEITI 2016 Report, in particular, the companies listed in the table in section 4.2 of the report (p80). The oil and gas companies in scope are also listed in section 6.1.3 (p104-105) and the mining companies are listed in section 6.2.3 (p108); and
- The MEEI's *Petroleum Registers (Production Sharing Contract and Exploration and Production)*. This consists of four spreadsheets that lists all PSCs and exploration licences.

We have divided the companies in scope into the following categories:

- Category 1: Companies that appear in both the TTEITI 2016 Report and the Petroleum Registers (27 in total),
- Category 2: Companies that appear only in the Petroleum Registers (21 companies),
- Category 3: Companies that appear only in the TTEITI 2016 Report (15),
- Category 4: Mining companies from the TTEITI 2016 Report (5).

The Petroleum Registers have been updated since 30 September 2016 (the cut-off date for the TTEITI Report). This may account for some of the discrepancy between categories 1, 2 and 3. Companies may have gained or relinquished licences since that date. Other reasons for the discrepancy may include the errors in the Petroleum Registers we note above and the lists of companies in the TTEITI 2016 Report being incomplete. The total number of companies in the register is 68 compared with 48 in the Petroleum Registers and 51 that were sent reporting templates by the Independent Administrator for the TTEITI 2016 Report (see below, figure 1).

We have identified full beneficial ownership information for 32 of these 68 companies and partial information for a further three companies. The sources for this beneficial information were:

- The completed templates in the existing TTEITI Beneficial Ownership Registry,
- Company files downloaded from the TTCR. We downloaded a total of 25 files from the TTCR. We were limited by cost from downloading further files. The download of each file costs TT\$20.00,
- Websites of relevant stock exchanges including the London, New York, Toronto and Australian exchanges,
- Company websites and news reports about companies,
- The UK's PSC Register,
- Interviews with company representatives.

In the registry we have colour-coded the source of information thus:

- Blue: TTEITI 2016 report and existing registry,
- Red: The TTCR,
- Orange: Internet sources,
- Yellow: The UK's PSC Register,
- Green: Interviews with company representatives,
- Grey: The MEEI's Petroleum Registers.

The final register consists of three spreadsheets. The first provides a summary of the companies, the second provides detailed information on each company and the third lists a small number of companies that were deleted from the registry as they no longer have an interest in a licence as their interests have been sold to other companies in the registry.

Figure 1: Moving towards a more comprehensive beneficial ownership registry



Source: Consultant's research

4. New Reporting Template

We have developed a new reporting template for TTEITI to use in future reporting cycles to collect beneficial ownership information. This reporting template is in Excel spreadsheet format and forms Appendix 2 of this report. We believe this template will make a valuable contribution both to ensuring that accurate information is collected and to TTEITI meeting EITI Requirement 2.5. As well as attaching a blank template, we also provide three examples of completed templates: a listed company, a privately held company and a government-owned company, including a PEP identification. The information in these examples is for illustration purposes only.

The template is designed to guide the person making the submission through the beneficial owner disclosure process and limit the scope for inaccurate or non-compliant information to be entered. Clear and unambiguous questions are used to direct the submitter. The template also contains extensive guidance notes. The template includes all the necessary fields to collect all the information required by EITI. Where appropriate, dropdown menus are used so that only valid entries can be made. In addition, answers given in the first two sections dictate the fields to be completed in sections three and four.

While the reporting template used for collecting beneficial ownership for the TTEITI 2016 Report was based on a template provided by the EITI International Secretariat, we believe that it contained some weaknesses. These included ambiguous questions, missing fields for completion and a lack of guidance notes.

5. Recommendations

Based on our findings from the gap analysis and reviews of the existing beneficial ownership registry, the Petroleum Registers, the Company Register, relevant laws, other documents as well as stakeholder engagements, we recommend the following actions in order to facilitate the creation of a beneficial ownership registry that is fully compliant with the EITI Standard by 1 January 2020:

- TTEITI takes advantage of the government's intention to legislate for beneficial ownership disclosure and advocates for legislation that meets the EITI requirements. The Attorney-General's office expressed a willingness to engage with TTEITI. As a priority, TTEITI should seek the inclusion in the draft bill of provisions that address the two key aspects where the proposed bill fails to meet the EITI Standard. Those two aspects are:
 - Include a threshold that is within the EITI recommended range of 5-25%,
 - Create a central public register for beneficial ownership of companies in Trinidad and Tobago.

While a central public register would go beyond the extractive sector, it would allow TTEITI to mainstream disclosure and not rely on a separate reporting system. Such a register would also allow Trinidad and Tobago to demonstrate that it is aligned with international best practice in this area. The creation of a legal obligation to provide beneficial ownership information for public disclosure would make the most significant contribution to meeting the EITI requirements and the country's other international commitments on this issue.

- For the next EITI reporting cycle that is likely to occur before any legislation can come into force, TTEITI should adopt the revised reporting template that accompanies this report (Appendix 2). This reporting template is compliant with the EITI Standard. It is also designed to facilitate completion by breaking down the reporting process into stages and prompting for specific information at each stage. Full completion of this template by all companies in scope and the publication of the information collected will allow TTEITI to close many of the gaps in its beneficial ownership registry. Distribution of the reporting template to companies in scope should be accompanied by an awareness raising campaign. This campaign should include explanation of the benefits of beneficial ownership disclosure as well as detailed instructions on how to complete the template.

- The reporting template should be sent to each individual company that has an interest in an oil, gas or mineral exploration or extraction licence. In this way, every company that forms part of a JV should be included in the reporting. Also, in cases where a licence bidding round has occurred, each company participating in the bid round should be sent a reporting template.
- The final version of the registry that we have created as part of this assignment is shared with each of the companies named in the registry. Each company is requested to verify the information as accurate and complete regarding its beneficial owners. Where information on beneficial owners is missing, companies are asked to supply the missing information. In future reporting cycles, the Independent Administrator should ask each company to validate the information in the registry prior to publication.
- TTEITI collects all the information recommended in Requirement 2.5, including national identity or passport number, date of birth and residential address. This information is needed for validation purposes. However, this information should be redacted from the published version of the registry for reasons of personal privacy and security. TTEITI or the Independent Administrator can use the information to verify the identity of beneficial owners and the company representatives certifying its submission. This information can also be used to cross check other information provided.
- TTEITI should include the following in its next report:
 - An explicit statement of its actual disclosure practice, which includes a full description of the beneficial ownership reporting process including the template used, guidance given and the timeframe covered.
 - A progress report on reforms to relevant laws to introduce beneficial ownership disclosure, including the Companies (Amendment) Bill 2018,
 - The names of companies that failed to submit completed reporting templates and those that submit partial returns,

- Specific reference to PEPs identified as part of beneficial ownership disclosure or reference if none are reported,
- Removal of any threshold for the reporting of PEPs as beneficial owners, so even the ownership of 1 share by a PEP would be subject to disclosure. A statement should be inserted into TTEITI's PEP definition to confirm that there is no threshold for reporting a PEP's beneficial ownership.
- TTEITI and/or the Independent Administrator should conduct spot checks on the information supplied from companies using the Company Register and from web links provided on the completed reporting templates. Such spot checks are not sufficient on their own for verification but should be combined with other measures set out in these recommendations.
- TTEITI should advocate for reforms to the Company Register but the reforms noted above to create a legal obligation to disclose beneficial ownership should take priority. Reforms to the Company Register should include:
 - The register is accessible for free and no prior registration of an account is required for access,
 - A user-friendly summary is available giving information on the company's filing history, its directors and owners with links to specific relevant documents,
 - The most recent filings are easily accessible rather than the present arrangement where they are last in a long PDF file.
- TTEITI should also advocate for the statements of registrable interests maintained by the Integrity Commission to be made freely available to the public. This would contribute to mainstreaming reporting of PEP involvement in the extractive industries. Instructions on how to request access to the register under the current system should be included in the next EITI report.
- TTEITI should undertake an awareness raising campaign to increase understanding amongst key stakeholders of the benefits of beneficial ownership disclosure. This campaign should include demonstrating the information that is available in the TTEITI beneficial ownership registry. This campaign should target stakeholders in government, companies

(especially that that have failed to report in the past), civil society organisations, journalists and academics. In particular, TTEITI should encourage civil society, journalists and academics to use the beneficial ownership information available.

Appendix 1: Revised beneficial ownership registry

See separate Excel workbook entitled *TTEITI Revised Beneficial Ownership registry*

Appendix 2: Revised beneficial ownership reporting template

See separate Excel workbook entitled *TTEITI New Beneficial Ownership Declaration Form with guidance*

Appendix 3: EITI Requirement 2.5 on beneficial ownership

2.5 Beneficial ownership.

a) It is recommended that implementing countries maintain a publicly available register of the beneficial owners of the corporate entity(ies) that apply for, or hold a participating interest in an exploration or production oil, gas or mining license or contract, including the identity(ies) of their beneficial owner(s), the level of ownership and details about how ownership or control is exerted. Where possible, beneficial ownership information should be incorporated in existing filings by companies to corporate regulators, stock exchanges or agencies regulating extractive industry licensing. Where this information is already publicly available, the EITI Report should include guidance on how to access this information.

b) It is required that the EITI Report documents the government's policy and multi-stakeholder group's discussion on disclosure of beneficial ownership. This should include details of the relevant legal provisions, actual disclosure practices and any reforms that are planned or underway related to beneficial ownership disclosure.

c) As of 1 January 2020, it is required that implementing countries request, and companies disclose, beneficial ownership information for inclusion in the EITI Report. This applies to corporate entity(ies) that apply for, or hold a participating interest in an exploration or production oil, gas or mining license or contract and should include the identity(ies) of their beneficial owner(s), the level of ownership and details about how ownership or control is exerted. Any gaps or weaknesses in reporting on beneficial ownership information must be disclosed in the EITI Report, including naming any entities that failed to submit all or parts of the beneficial ownership information. Where a country is facing constitutional or significant practical barriers to the implementation of this requirement by 1 January 2020, the country may seek adapted implementation in accordance with requirement 8.1.

d) Information about the identity of the beneficial owner should include the name of the beneficial owner, the nationality, and the country of residence, as well as identifying any politically exposed persons. It is also recommended that the national identity number, date of birth, residential or service address, and means of contact are disclosed.

e) The multi-stakeholder group should agree an approach for participating companies assuring the accuracy of the beneficial ownership information they provide. This could include requiring companies to attest the beneficial ownership declaration form through sign off by a member of the senior management team or senior legal counsel, or submit supporting documentation.

f) Definition of beneficial ownership:

i. A beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity.

ii. The multi-stakeholder group should agree an appropriate definition of the term beneficial owner. The definition should be aligned with (f)(i) above and take international norms and relevant national laws into account, and should include ownership threshold(s). The definition should also specify reporting obligations for politically exposed persons.

iii. Publicly listed companies, including wholly owned subsidiaries, are required to disclose the name of the stock exchange and include a link to the stock exchange filings where they are listed.

iv. In the case of joint ventures, each entity within the venture should disclose its beneficial owner(s), unless it is publicly listed or is a wholly owned subsidiary of a publicly listed company. Each entity is responsible for the accuracy of the information provided.

g) The EITI Report should also disclose the legal owners and share of ownership of such companies.

Appendix 4: Independent Administrator commentary and recommendations

Extract from the TTEITI 2016 Report:

TTEITI Beneficial Ownership Registry

We were asked to comment on the TTEITI Beneficial Ownership Registry by providing feedback on the usability and authenticity of the information provided by extractive companies. While we have reviewed the forms incorporated in the Beneficial Ownership Registry on the TTEITI website, we note that each reporting entity was required to include a signed statement that all the information provided is accurate and reliable. All the forms in the Registry were signed by an official of the company concerned, and in conducting our review, we have relied on this for assurance over the information provided.

Our comments on the Registry are as follows:-

1. The TTEITI website states that 51 companies shared beneficial ownership information. Only 23 forms are published on the registry.
2. The registry would be improved by a tabular presentation in alphabetical order, with a link through to the forms and any other detailed information.
3. The information gathered would be improved by:-
 - a. Adding the company number from the Trinidad and Tobago Business registry
 - b. Adding the MOF-IRD Tax Identification Number (TIN)
 - c. Specifying what the company identifier is (e.g. registration number in the country of registration)
4. Where a company states it is a subsidiary of a publicly owned company, it would greatly assist if it were required to give
 - a. the name of the publicly listed company,
 - b. the Stock Exchange (SE) on which the quotation appears and
 - c. the SE number of the listed company to permit easy identification
5. The disclosure of beneficial ownership will need to be considered when the next MOU is agreed - the provisions, for example, of clause 12 of the current MOU will need review

During our review, we viewed company forms on the Beneficial Ownership Registry, and comment as follows:-

6. The forms on the website indicate some misunderstandings about beneficial ownership, e.g.

- a. A company, which research indicates to be a 100% subsidiary of a quoted company, stated it was not wholly owned subsidiary and gave the name of a company as its beneficial owner, with a 100% shareholding
 - b. Companies in a group operating in Trinidad and Tobago, which are part of an international quoted group, stated they were not a wholly owned subsidiary of a publicly listed company
 - c. A company correctly stated that it was not a wholly owned subsidiary of a quoted company and gave its beneficial ownership details as another company 52% and three private shareholders holding the remaining 48%. No details of voting rights were given.
7. When the registry is live, such details need to be examined before posting the information. There will also be a need to have a regular review and update process. In addition, it would be helpful to have an annual confirmation of the details by the companies, to ensure that any changes are notified.

Trinidad and Tobago Company Registry

Details held on the Trinidad and Tobago Company Registry should also be examined by TTEITI, both to avoid duplication of information and effort and also to determine whether the beneficial ownership information can be part of the registration process for companies in Trinidad and Tobago, with the information available via the Company Registry.

On 20th April 2018, we accessed the Company Registry available online at <https://rgd.legalaffairs.gov.tt/> and requested details of a small selection of companies. The results are shown below:-

Search Term	Company names listed	Company #
Lease Operators	Lease Operators Limited	105937
Well Services	13 organisations found, including:-	
	Well Services Holdings Limited	111836
	Well Services Holdings Limited	1047218
	Well Services Petroleum Limited	104563
Ten Degrees North Operating	No Companies or Business Names matched the search	

Ten Degrees	Ten Degrees North Urban Architecture	1270553
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We also suggest that future PSCs should incorporate a requirement that signatories disclose beneficial ownership meeting the requirements of the TTEITI and the EITI Standard.

Appendix 5: Stakeholders

As part of the research for this assignment, we conducted interviews with representatives of the following organisations and companies:

TTEITI
Attorney-general's office
Company Registrar's office
Trinidad and Tobago Chamber of Commerce
BP
Touchstone
Lease Operators
Hermitage Limestone
De Novo

We are also grateful to the members of the TTEITI Steering Committee and Secretariat for their feedback on our draft report.

In summary, the key points from the interviews conducted for this project included:

Strong support for EITI from government and company representatives. For government, EITI is seen as making an important contribution to enhancing transparency in a vital economic sector. For companies, EITI implementation contributes to enhanced understanding of the extractive sector and strengthening the social licence to operate in Trinidad and Tobago.

On beneficial ownership, there is support in government and in the companies for disclosure of beneficial ownership as it contributes to building trust in the extractive industries. There was also recognition that beneficial ownership disclosure can play a role in the governance of public procurement, monitoring the extent of investment from a particular source such as a particular country or company.

In some parts of the extractive industries, there remains some concern about beneficial ownership disclosure. In some instances, this is due to an incomplete understanding of the purpose of beneficial ownership disclosure. There are also concerns about the liability issues connected with certifying the accuracy of information reported.

A number of interviewees also expressed concerns about the personal safety and security implications of public disclosure of beneficial ownership details. There was concern that the information could be used to target individuals for kidnap or extortion.

Appendix 6: References

See also links in Beneficial Ownership Registry (Appendix 1)

EITI

Home page

<https://eiti.org>

Beneficial ownership page

<https://eiti.org/beneficial-ownership>

Trinidad and Tobago

Trinidad and Tobago Integrity Commission

<http://integritycommission.org.tt/New/>

Trinidad and Tobago Company Register

<https://rgd.legalaffairs.gov.tt>

Ministry of Energy and Energy Industries' Petroleum Registers

<http://www.energy.gov.tt/services/license-registers/>

TTEITI

Home page

<http://www.tteiti.org.tt>

Beneficial ownership page

<http://www.tteiti.org.tt/industry-overview/beneficial-ownership-declaration/>

Beneficial ownership registry

<http://www.tteiti.org.tt/industry-overview/beneficial-ownership-declaration/beneficial-ownership-registry/>

Beneficial ownership roadmap

<http://www.tteiti.org.tt/wp-content/uploads/Beneficial-Ownership-Roadmap.pdf>

Beneficial ownership report

<http://www.tteiti.org.tt/wp-content/uploads/Beneficial-Ownership-Report.pdf>

Other sources

UK Companies House (to access PSC Register)

<https://www.gov.uk/government/organisations/companies-house>

London Stock Exchange

<https://www.londonstockexchange.com/home/homepage.htm>

Toronto Stock Exchange

<https://www.tsx.com>

New York Stock Exchange

<https://www.nyse.com/index>

Australian Security's Exchange

<https://www.asx.com.au>