

WELCOME ADDRESS

BY

**HON. KEN OFORI-ATTA
MINISTRY OF FINANCE**

AT

THE

**STAKEHOLDER WORKSHOP ON SUPPORTING THE
REGISTRAR-GENERAL'S DEPARTMENT TO
DEVELOP A FRAMEWORK FOR BENEFICIAL
OWNERSHIP DISCLOSURE REGISTER IN GHANA**

**ALISA HOTEL, NORTH RIDGE, ACCRA
THURSDAY, 30TH MARCH, 2017**

Mr. Chairman,

Members of Parliament,

Members of the Diplomatic Corps,

Representatives from Civil Society Organizations,

Friends from the Media,

Invited Guests,

Distinguished Ladies and Gentlemen.

1. Good morning. It gives me great pleasure to be with you this morning to deliver the welcome message for such an august programme. Permit me to take this opportunity to welcome the participants to this very important event and to give a special "Akwaaba" to the facilitator, Mr. Andrew De'ath who flew all the way from the UK specifically to be part of this programme. H.E. Nana Addo Danquah Akuffo-Addo, President of the Republic of Ghana has shown his commitment to the fight against corruption and the presence of the various leading members of this government is an attestation to that fact.

2. **Mr. Chairman**, we all know that there may be legitimate reasons why people set up companies with complex structures or make use of corporate services

in offshore jurisdictions. We know that these structures can often be used in legally permissible ways to serve the commercial needs of those who employ them. Nevertheless, the issue of beneficial ownership secrecy has now become a topic of worldwide concern, in the wake of the Panama Papers and other similar exposés. These highlighted how shell companies and other opaque company structures can be used as a means of laundering the ill-gotten gains through illegal activities. This is what we are here to address today: the more disturbing intentions that secrecy in beneficial ownership can be made to serve; methods which cripple developing countries such as Ghana, because they enable people and companies to spirit away money that would otherwise be destined to improve the lives of the people the money was meant to serve.

3. **Mr. Chairman**, while these issues have become very topical recently, the methods used to create secrecy of beneficial ownership have been around for centuries. The UK, which is today leading the efforts towards transparency in beneficial ownership, was ironically at the forefront at the development of the concept of trusts and beneficial ownership, as far back as the time of the crusades in the 12th century. The use of nominees, service companies, companies owned by other companies and similar structures, are however a more recent phenomenon, as has been the development of “offshore” jurisdictions, and these are now part of a sophisticated international machinery by which people and companies siphon away money

from the public purse. In developing countries with limited incomes, the use of such structures is particularly pernicious, since the theft of a billion dollars from the national purse might of course amount to a large chunk of (or even exceed) the health or education budget of a nation as a whole.

4. There are some staggering numbers that make the call for transparency of beneficial ownership essential. Firstly, according to Transparency International, global money laundering is now worth US\$ 2 trillion annually. What is more worrying is that half of this amount is coming from developing countries (such as Ghana) who need these monies to undertake social investments into their health services, education systems, or to build and maintain the roads and infrastructure needed to alleviate their poverty. According to the World Economic Forum and World Bank about \$1.25 trillion is paid in bribes annually, and 5 percent of global annual GDP (about \$2.5 trillion) is lost through corruption. Oxfam also indicates that poor countries lose up to \$170 billion yearly to tax evasion. They conclude that a fraction of this amount could fund health services that could save the lives of almost 150 million children.

5. Mr. Chairman, there are more specific facts around secret beneficial ownership structures. In a 2015 LexisNexis Report entitled THE HIDDEN WORLD OF BENEFICIAL OWNERSHIP it is stated, and I quote:

"When the OECD reviewed 400-plus bribery cases across 41 countries for its 2014 report - An Analysis of the Crime of Bribery of Foreign Public Officials, - it found that one in four of them had involved illicit money channelled through shadowy secret companies. The World Bank has estimated that corrupt politicians used secret companies to obscure their identities in 70 per cent of more than 200 cases of grand corruption. The New York Times reported in 2014 that an estimated 8% – more than US\$7 trillion – of the world's personal financial wealth is held in undeclared offshore deposits."

6. **Distinguished Ladies and Gentlemen**, it is for these reasons that it has become essential for Ghana to tackle transparency in beneficial ownership without further delay, if we are to meet our objectives of combatting corruption, sparking the growth of our economy, and making our country a regional business and financial powerhouse.
7. Ghana has made significant strides already towards enhancing transparency and accountability, particularly in the extractives sector. Through the EITI initiative, a lot of progress has been made in the areas of policy changes and institutional reforms, and

this resulted in Ghana being awarded the EITI Chair's award in Lima, Peru in 2016. But there is more work to be done: during the London Anti-corruption summit Ghana made a number of commitments, including towards beneficial ownership transparency. Ghana stated that we are, and I quote, "committed to preventing the misuse of companies and legal arrangements to hide the proceeds of corruption", and "ensuring that accurate and timely company beneficial ownership information, including in the extractives, is available and accessible to the public."

8. Last year, Parliament passed three (3) important pieces of legislation – the Companies Act (as Amended) (Act 919) which makes some of the necessary provisions for beneficial ownership disclosure; the Minerals Development Fund Act (Act 920); and the Public Financial Management Act (Act 921) with the aim of strengthening transparency and accountability. As you may be aware, a lot of stakeholder discussions on the subject matter have already taken place and for me, it is important we move the implementation process forward. This explains why I find this workshop's topic very appropriate – From Legislation to Implementation.

9. Though some level of progress has been made in Ghana as compared to other countries, it seems to

me that the rate at which the process is moving is slower than expected, and there is the need for all of us to put our shoulders to the wheel to quicken the implementation process.

10. This stakeholders' workshop should be used to interrogate the practical implementation issues that Ghana may face by implementing a Beneficial Ownership register, the advantages and disadvantages of various aspects of such a register, resources required, and the security issues that may need to be assessed. I know the United Kingdom is one of the few countries with some level of experience in implementing a Beneficial Ownership register, and we are grateful to our facilitators, who we trust will share some key practical experiences with us . For instance if the Registrar-General's Department (RGD) is to collect this information, we need to start building a clear understanding of the technical and legal infrastructure that will be required to put in place an effective and efficient register.

11. **Mr. Chairman**, it is also essential that such a register is compatible with the global data set on beneficial ownership, because we know that such corporate structures are not in Ghana only. They will feed into corporate structures overseas, and it is essential that these speak to each other, to ensure

that anyone seeking to trace the flow of illicit funds is able to assess the global footprint.

12. We are grateful to UKAID and the UK's Department for International Development, who have committed to providing technical assistance to the RGD in three key areas including preparation of the necessary legislation, and collaborating with us in the development of a prototype register and the required form to undertake a pilot.

13. There is a lot more work to be done in order to ensure that the model developed for Ghana's Beneficial Ownership regime meets the objectives that have been identified, and takes account of concerns raised by stakeholders. There are a host of issues to consider, including compatibility with the current companies register as well as with the global data register, a regime for ensuring data security and privacy, all towards making sure that the architecture of the register is fit for purpose. A forum such as this is critical. Through this I hope we will all gain a better understanding of the key issues to address the BO roadmap implementation, take the first steps along that pathway, and actively play our roles in developing this critical tool in this new era of transparency and accountability.

14. **Mr. Chairman**, in order to protect the world's financial systems from the destabilization effects of

corruption and money laundering, it is imperative that we combat this scourge with unprecedented resolve and commitment. Everybody has a responsibility to combat illicit financial transactions, and that is why this government is committed to moving forward with the implementation phase of this process. Our government is committed to transparency and accountability both within government and in the private sector. We are committed not just to tackling corruption, but to preventing revenue leakage at all levels. That is why a transparent beneficial ownership regime is so important to our goals.

15. **To conclude**, I would like on behalf of government to thank the Extractive Industries Transparency Initiative (EITI) International Secretariat, UKAID via DFID, and their implementing programme in Ghana - Strengthening Action Against Corruption - the Natural Resources Governance Institute (NRGI), Development Partners and Civil Society Organisations for their support and indeed all stakeholders for their passion and commitment to this process. I will encourage participants to take full advantage of the experience and expertise of the resource persons and facilitators so that we will be fully equipped to contribute to the successful implementation of beneficial ownership regime in Ghana.

Thank you for your attention.