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Director  
Beneficial Ownership and Transparency Unit  
Market Conduct Division  
Treasury  
Langton Cres  
Parkes ACT 2600

By email: [BeneficialOwnership@treasury.gov.au](mailto:BeneficialOwnership@treasury.gov.au)

Dear Sir/Madam,

**Consultation — *Multinational tax integrity: Public Beneficial Ownership Register***

Please find below our submission to the Public Beneficial Ownership Register consultation.

**About illion**

illion is a leading independent provider of data and analytics products and services across Australasia. The organisation's consumer and commercial credit registries make up a central component of Australia and New Zealand's financial infrastructure and are used to deliver end-to-end customer management solutions to clients.

As a data insights and analytics business, illion transforms data into complete and actionable information, and believes that quality data is the foundation of its continued success in helping businesses (including banks) manage risk and secure appropriate consumer and commercial outcomes.

illion currently services a large range of reporting entities, authorised deposit-taking institutions, asset finance companies, business lenders, personal loan providers and brokers of each of these products.

Specifically in the AML space illion assists reporting entities meet their obligations to Know your Customer and keep Knowing your Customer by providing verification services used at onboarding and remediation services used throughout the customers lifetime to collect and verify information on individual and non-individual customers, including Beneficial Ownership resolution.

## Submission

### *General Comments*

illion is ultimately supportive of the Government introducing a public register of beneficial ownership information to record who ultimately owns, controls and receives benefit from a company or legal vehicle operating in Australia.

illion, which can access data on over 25 million individuals and over two million commercial entities including Australian trading trusts, understands that who has ultimate control of an entity(?) plays an important role in detecting, disrupting and preventing money laundering and terrorism financing. It can also protect businesses from being exploited for other forms of criminal activity.

Implementing beneficial ownership identification and disclosure requirements will be particularly helpful for trusts and partnerships, which can have opaque and intricate structures. We note with interest that the consultation paper has recommended further analysis and consultation is required to be undertaken on the implementation for trusts at a future date. illion would welcome any opportunity to assist in this process.

### *Recommendations*

illion recognise that the proposed approach is phased, with the initial phase focusing on Companies. illion recognise the complexities involved in creating a Beneficial Ownership register encompassing all entity types, and consequently we support the phased approach. However we note that current solutions, including those offered by illion, already automate the determination of beneficial ownership for Australian companies. While there remain challenges in these calculations, for example where foreign ownership or non-beneficial ownership is present, the problem of determining ownership for Companies is solved for ~80% of cases. Consequently we strongly recommend that in addition to Companies a timetable for subsequent phases, with trusts being the priority, is established.

We also note that the intent is initially for Companies to collect information about their beneficial ownership, before this is finally published in a central register. Our observation here is that until the information is available in a central register there will be no benefit to the collection of the data. While each company holds their own data this creates an overly arduous process to ascertain ultimate beneficial ownership, as interested parties may have to go through multiple firms, creating chains of correspondence as parties work their way through multiple entities, causing significant delays.

Consequently, we believe Australia should adopt a public register model, replicating the system already in place in the United Kingdom. According to a [fact sheet](#) from the UK Government website,

*“In 2016, Companies House set up the People with Significant Control (PSCs) register, which was the first of its kind in the world. This requires UK companies, and other legal entities, to identify who owns and controls them (are their PSCs), register their details with Companies House, and keep these details up to date. The two main objectives of the PSC register are to provide transparency around the ownership and control of UK corporate structures and to help prevent misuse of UK corporate structures.*

*In 2022, Companies House set up the Register of Overseas Entities (ROE), which was also the first of its kind in the world. This requires overseas entities who own UK property to identify who their registrable beneficial owners are, register their details with Companies House, and*

*keep these details up to date. The two main objectives of ROE are to help combat money laundering and achieve greater transparency in the UK property market.”*

We also believe consideration should be given to expanding the 20 per cent threshold for beneficial ownership to 25 per cent matching the industry wide standard adopted in Australia.

In addition to defining the ownership threshold it will also be necessary to provide very clear guidance on how to calculate the ownership percentage to ensure a consistent approach is followed. For example, is ownership considered across all share classes, does ownership consider the value of the shares across share classes, or simply the number of shares and whether issued or unissued shares considered in these calculations? What (if any) consideration is placed on voting classes?

Finally, illion strongly believes this program should be fully integrated into the ongoing modernising business registries process. The Financial Services sector is already significantly regulated through legislation and legislative changes should work in concert and rely upon existing provisions in the bevy of financial services legislation rather than adding to the regulatory burden. We note that the Australian Law Reform Commission (ALRC) is currently conducting a review into Financial Services Legislation, and this offers significant opportunity to synchronise the regulatory framework across the whole sector.

#### *Conclusion*

illion greatly appreciate the opportunity to comment on this important reform, and we would welcome the opportunity to discuss this matter with Treasury further.

To arrange a time, or if there are any questions or concerns arising from this submission, please feel free to contact me at any time at [richard.atkinson@illion.com.au](mailto:richard.atkinson@illion.com.au).

Yours sincerely,



**Richard Atkinson**

**Head of Product**