

TRANSPARENCY OF BENEFICIAL OWNERSHIP: A KEY TOOL IN THE FIGHT AGAINST CORRUPTION

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Abstract. The international community recognizes the 24th recommendation of the Financial Action Task Force on Money Laundering (FATF) as one of the key tools in the fight against money laundering, terrorist financing and other economic crimes, including corruption. The authors analyzed the implementation of this recommendation in 138 Member countries of the United Nations, based on generalized assessments of effectiveness and technical compliance with FATF criteria. The top 5 countries (Denmark, Finland, New Zealand, Norway, Singapore) where the level of corruption, according to Transparency International, is minimal and 5 countries (Venezuela, Haiti, Turkmenistan, Nicaragua and Chad) with the high level of corruption have been studied.

Research limitations: Authors had limitations due to the fact that not all countries passed or did not complete yet mutual evaluation process, only 138 countries' reports are available.

Keywords: beneficial ownership, transparency, corruption, money laundering

Аңдатпа. Халықаралық қауымдастық Ақшаны жылыстатуға қарсы қаржылық шараларды әзірлеу тобының (ФАТФ) 24-ші ұсынымын ақшаны жылыстатуға, терроризмді қаржыландыруға және басқа да экономикалық қылмыстарға, соның ішінде сыбайлас жемқорлыққа қарсы күрестің негізгі құралдарының бірі ретінде таниды. Авторлар осы ұсынымның Біріккен Ұлттар Ұйымына мүше 138 елде іске асырылуы ФАТФ-тың нәтижелігі мен техникалық сәйкестіктерінің жалпыланған бағалауға негізделген критерийлері бойынша талдау жүргізді. Transparency International мәліметтері бойынша сыбайлас жемқорлық деңгейі ең төмен 5 ел (Дания, Финляндия, Жаңа Зеландия, Норвегия, Сингапур) және жемқорлық деңгейі ең жоғарғы 5 ел (Венесуэла, Гаити, Түркіменстан, Никарагуа және Чад) зерттелді.

Зерттеудің шектеулері: Авторлардың шектеулері болды, себебі барлық елдер өзара бағалау процесінен өтпеген немесе әлі аяқтамаған, тек 138 елдің есептері қолжетімді.

Түйінді сөздер: бенефициарлық меншік, ашықтық, сыбайлас жемқорлық, ақшаны жылыстату.

Абстракт. Международное сообщество признает 24-ю рекомендацию Группы разработки финансовых мер борьбы с отмыванием денег (ФАТФ) как один из ключевых инструментов в борьбе с отмыванием денег, финансированием терроризма и другими экономическими преступлениями, включая коррупцию. Авторы провели анализ реализации данной рекомендации в 138 странах, членов Организации Объединенных Наций, основываясь на обобщенных оценках эффективности и технического соответствия критериям ФАТФ. Изучены топ-5 стран (Дания, Финляндия, Новая Зеландия, Норвегия, Сингапур), где уровень коррупции минимальный и 5 стран (Венесуэла, Гаити, Туркменистан, Никарагуа и Чад) с высоким уровнем коррупции по данным Transparency International.

Ограничения исследования: У авторов были ограничения из-за того, что не все страны прошли или еще не завершили процесс взаимной оценки, доступны отчеты только по 138 странам.

Ключевые слова: бенефициарное владение, прозрачность, коррупция, отмывание денег

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Introduction

For a substantive understanding of the research presented in this article, it is necessary to understand the interpretation of the basic terms.

The Financial Action Task Force on Money Laundering (FATF), which develops recommendations on countering money laundering, is the main source of definitions of "beneficial ownership" in the field of countering the legalization (laundering) of proceeds from crime and the financing of terrorism. The FATF Glossary defines: A beneficial owner is an individual(s) who ultimately owns or manages a company or other asset, or who receives substantial benefits from assets owned by the company.

The FATF defines itself as the body leading global action against money laundering, terrorist financing and the proliferation of weapons of mass destruction. The FATF investigates how money is laundered and terrorism is financed, promotes global standards for risk reduction, and evaluates whether countries are taking effective action [1].

The FATF issues 40 recommendations, which are a set of rules governing the activities of the financial sector, law enforcement agencies, as well as a list of measures to combat money laundering and terrorist financing. Transparency of legal entities has long been part of the FATF's priorities, and this is defined in recommendation 24.

According to recommendation 24, countries should:

1. Identify the types, forms and main characteristics of legal entities in the country, as well as assess the risks of illegal use of legal entities for money laundering or terrorist financing, and respond appropriately.

2. Ensure that sufficient, accurate and up-to-date information on beneficial ownership is available with prompt access by competent authorities.

3. Competent authorities, in particular law enforcement agencies and the Financial intelligence unit, should have all the powers necessary to obtain timely access to basic information and data on beneficial ownership held by the relevant parties.

4. All companies established in the country must be registered in the register of

companies and information about them should be relevant.

5. There should be a clearly defined obligation to comply with the requirements, as well as responsibility and effective, proportionate and dissuasive sanctions applicable to any legal entity or individual who does not properly comply with these requirements.

6. Provide basic information and beneficial ownership information quickly, constructively and effectively within the framework of international cooperation.

Many companies prefer to hide their beneficiaries from the public. They may not disclose his identity to the public, but at the same time they are obliged to provide information about himself to government authorities — this is necessary to counteract the laundering of illegal funds.

The beneficial owner can be absent only in one case — if the organization is engaged in charity or any other non-profit activity, that is, it does not receive benefits from its activities.

It should be noted that the United Nations Security Council, in its resolution 1617 (2005), urges all Member States to comply with the comprehensive international standards contained in the forty recommendations of the FATF on combating money laundering and the financing of terrorism.

Why is transparency of beneficial ownership important? Anonymity allows many illegal activities, such as tax evasion, corruption, money laundering and terrorist financing.

Information about beneficial owners is crucial for competent authorities, especially law enforcement agencies and financial intelligence units, as it helps to identify persons in whose interests suspicious activities are being carried out and facilitates investigations. This transparency also prevents criminals from hiding their identity. However, ensuring the adequacy and accuracy of such information can be challenging, especially in complex ownership structures spanning multiple jurisdictions. The lack of this information creates serious obstacles for law enforcement and competent authorities in conducting thorough investigations and collecting financial information.

The FATF notes that corruption and money laundering are often inextricably linked. corruption, such as bribery or embezzlement of public funds, are usually committed in order to obtain illegal funds. The process of money laundering consists in concealing the fact that these funds were obtained as a result of criminal activity.

The scale of theft and asset laundering in the world is huge. The United Nations Office on Drugs and Crime (UNODC) has estimated that between \$800 billion and \$2 trillion are laundered every year. At the same time, the role of companies that are secretly owned or under covert control, and other legal entities in the transfer and laundering of money is significant. Corrupt politicians used secretly owned companies to hide their identity in 70% of the more than 200 cases of "big corruption" investigated by the World Bank [2].

It is widely known that transparency of information about beneficial owners is an effective tool in the fight against corruption and other economic crimes. This approach contributes to the creation of a transparent and responsible business environment that promotes the rule of law and supports honest business practices. Moreover, the world community continues to solve these problems for a long time.

Numerous international organizations are actively involved in improving organizational transparency. The G20 leaders have committed to adopt FATF standards on beneficial ownership, and the G7 countries intend to strengthen databases containing information on beneficial ownership of companies. The OECD and the World Bank have developed tools to help countries assess risks and establish beneficial ownership mechanisms that meet international standards.

The UN Convention against Corruption (UNCAC) contains recommendations on ensuring transparency of the activities of beneficial owners in the participating States. Countries should take measures to ensure access to information on beneficial owners, including additional requirements for financial institutions.

The European Union has adopted several directives, including the latest AMD updates, which also oblige EU members to increase transparency regarding beneficial owners.

The OECD Mandatory Standards for the Exchange of Information on Tax Residents (CRS) are designed to exchange information about financial accounts, including information about beneficial owners. The United Nations Convention against Cross-Border Organized Crime (UNODC) supports cooperation between countries in combating cross-border organized crime, including measures to ensure transparency of ownership.

The international community has created various institutions and tools to combat various economic crimes, including corruption and money laundering. Considering that transparency of ownership of beneficiaries is one of the important tools in the fight against corruption, it is interesting to see how well the FATF countries ensure this transparency.

This paper is devoted to consideration of the real international situation in this issue. For this purpose, authors looking for the answers to the following research question: implementing a transparent system of beneficial ownership is associated with a significant reduction in corruption within a country.

Methodology

This study is primarily based on a literature review, both national and international, focusing on ensuring beneficial ownership transparency of corporate entities in the selected countries. This encompasses (but is not restricted to):

- mutual evaluation reports by the Asia/Pacific Group On Money Laundering (APG) and the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL);

- the 2012 FATF Recommendations,

- the 2013 FATF Methodology,

- the 2014 FATF Guidance on Transparency of Beneficial Ownership, the 2019 FATF Best Practices on Beneficial Ownership of Legal Persons, and the 2023 FATF Guidance on Beneficial Ownership of Legal Persons;

- the 2019 OECD Guidelines on Transparency of Beneficial Ownership;

- other relevant national and international literature, as well as regional civil society and media reports.

Literature review

G20 Members in their appeal against corruption and the impact of COVID-19, urged the successful enforcement of FATF Standards, with a specific emphasis on addressing money laundering and enhancing the openness regarding the beneficial ownership of legal entities [3].

Global Witness (2020) believes that anonymously owned companies are one of the key tools used by money launderers and tax evaders to hide their ill-gotten gains and taxable assets from law enforcement and tax inspectors – and public registers are a way of making this more difficult [4].

Nadim Kyriakos-Saad (2019) point out, that corruption and money laundering are closely linked. Corruption offenses, such as bribery or theft of public goods, generate significant amounts of proceeds that need to be laundered - or “cleaned” - to enter the financial system without the stigma of illegality [5]. E. Ekwueme (2021) agreed with all above and notes that it has been realized that the two phenomena are intricately tied to each other and can justifiably said to be like Siamese twins. It is extremely difficult to discuss corruption without including money laundering because it has been found that most proceeds of corruption directly or indirectly end up being laundered [6].

At the same time, Ramandeep Chhina (2022) notes, that beneficial ownership transparency in regard to legal entities is increasingly regarded as an essential element in the fight against corruption. It is a tool for preventing money laundering and countering the financing of terrorism and tax evasion [7].

Verdugo Yepes (2011) comes to the result that the higher the country's compliance with FATF standards, the lower the percentage of corruption in the country [8].

Jorum Duri (2021) remarks that modern forms of corruption – as usually transnational in nature. Beneficial ownership transparency is an issue that has impact across borders [9]. The same thought continues Maíra Martini (2019) notes that the primary aim of a global standard-setter like the FATF to preventing the misuse of companies and ensuring competent authorities are able to obtain reliable information on their real owners in a timely manner. The failure to ensure such standards can have detrimental consequences to all efforts at improving corporate compliance [10].

However, as Jeffrey Owens, Rick McDonell (2020) noted, registers are only as good as the information they contain. If the information in the registry is not accurate and verified, it is therefore useless. Therefore, it is very important not just to create a registry, but also to ensure the verification of the information contained in it [11].

Tom Keatinge and Anton Moiseienko (2020) point out that the quality of beneficial ownership information in a given jurisdiction was beyond doubt, this rationale would fade away. But at present there are few opportunities for understanding how well a country is doing in terms of collecting and verifying beneficial ownership information [12].

FATF President's remarks to G20 Anti-Corruption Ministerial (2020) state that global network need to plug the holes in the availability of beneficial ownership information. Countries need to make sure that up-to-date and accurate information is rapidly available to authorities to enable them to stop anonymous shell companies laundering funds [13].

Richard Berkhout and Francisca Fernando (2022) notes that the beneficial ownership information also serves broader policy goals. It aids in enhancing the business environment, preventing tax evasion, supporting anti-corruption measures by exposing hidden wealth, and minimizing abuse in public procurement or extractive contracts. A robust system for maintaining beneficial ownership details contributes even to national security initiatives [14].

And most experts believe that ending anonymity is the key to fighting corruption and other types of economic crimes.

Data interpretation

The FATF established the first international beneficial ownership transparency standard in 2003 and strengthened it in 2012. To respond to the significant misuse of legal persons for money laundering, terrorist financing, and for proliferation financing in a number of jurisdictions, the FATF has recently strengthened the international standards on beneficial ownership of legal persons, to better prevent and deter the misuse of legal persons.

Moreover, the past 20 years' good results have certainly been achieved, however the Corruption Perception Index (CPI) for 2022

shows the absence of any significant changes in the levels of corruption over an 11-year period, which indicates a steady stagnation in the prevalence of corruption both within a particular country and around the world [15]. This prolonged lack of noticeable improvement or deterioration suggests that the efforts to address corruption or the implemented measures aimed at its reduction may be ineffective or insufficient.

In order to analyze the extent to which countries have implemented the FATF requirements for beneficial ownership transparency, the authors reviewed 138 mutual evaluation reports. We looked not only at the technical compliance of countries' legislation with the requirements of Recommendation 24, but also at the extent to which these legislative provisions are implemented in practice (the so-called Immediate Outcome 5, under which the FATF assesses the effectiveness of the implementation of its requirements).

The main findings of this analysis are as follows: none of the 138 countries have achieved technically full compliance with the standards, indicating that the existing legal framework is inadequate. 30.5% of countries are rated as "Largely compliant", indicating progress in legislation with only minor shortcomings. 55% of countries are rated as "Partially compliant", which indicates that there are moderate shortcomings. 14.5% of countries are considered "Non-compliant" which indicates there are major shortcomings.

Regarding the level of effectiveness of the countries' efforts, it is obvious that none of the countries received a rating of "high level" of efficiency. This indicates the lack of effective strategies and tools in ensuring transparency of beneficial owners and the challenges of ensuring access to such information.. Only 9.5% of countries have a "Substantial level" of efficiency, these countries can serve as an example of best practices for other countries. 43.5% of countries have a "moderate level" of efficiency. 47% of countries have a "low level" of efficiency which is a significant part of the total number of countries (138). This may highlight the presence of systemic problems, ineffectiveness of measures to combat money laundering and terrorist financing in these regions.

The results of FATF Mutual Evaluations reveal a generally inadequate level of effectiveness in addressing the misuse of legal

entities for money laundering and terrorist financing on a global scale. For a sustained impact in combating the illicit flow of funds, it is imperative for countries to fully adhere to international standards. The examination of mutual evaluation reports highlights the difficulties various countries encounter in the technical and practical implementation of FATF recommendations concerning the beneficial ownership of companies. These reports indicate that, in recent years, a majority of countries have failed to review their regulations and take measures to ensure that competent authorities can promptly access adequate and accurate information regarding beneficial ownership. As international standards evolve, they now include a requirement for authorities to maintain records on beneficial ownership information for specific types of legal structures, utilizing appropriate registries, for instance.

The question "who is behind this legal person" or rather "how easy is it to disguise who is behind this legal person" becomes more relevant when the specific transaction brings significant risks of illegal activities [12].

To test our hypothesis, we decided to select 5 countries with low and five countries with high levels of corruption. According to Transparency International's Corruption Perception Index, 180 countries and territories around the world are ranked according to their perception of the level of corruption in a country, rating it on a scale from 0 (high degree of corruption) to 100 (very low level). We selected top five countries (Denmark, Finland, New Zealand, Norway and Singapore) that have a low corruption perception index, and five countries (Venezuela, Haiti, Turkmenistan, Nicaragua and Chad) with the highest levels of corruption in the country.

Why do we use the rating according to Transparency International?

Petr Janskya and Natalia Lib (2021) notes that the most well-known indicator of corruption perceptions is the Transparency International's Corruption Perception Index, even in research field. They systematically reviewed some of the best academic research in the field of economics focused on corruption and found Corruption Perception Index was mentioned in 30 papers (20% of the 148 papers they reviewed). Moreover, they used internet and academic journal search engines to identify relevant data sources. They searched for indicators of corruption that are

similar to the Corruption Perception Index. One such alternative indicator is the Control of Corruption indicator, which is part of the World Bank's World Governance Indicators, and draws on 22 data sources the ranks is closely to Transparency International[16].

Based on the research of the above-mentioned authors, we decided to use the Transparency International rating.

Result:

Table 1

#	countries	TC	E	TI
1	Denmark	LC	ME	90
2	Finland	LC	ME	87
3	New Zealand	PC	ME	87
4	Norway	PC	ME	84
5	Singapore	LC	ME	83

TC / Technical Compliance: C = compliant
 | LC = largely compliant
 | PC = partially compliant
 | NC = non-compliant

E / Effectiveness: HE = high level
 | SE = substantial level
 | ME = moderate level
 | LE = low level

TI / Transparency International's rate

The table 1 presents the ranking of the top countries with low level of corruption where, according to their mutual evaluation reports, legal persons and arrangements are prevented from misuse for money laundering or terrorist financing, and information on their beneficial ownership is available to competent authorities without impediments.

However, none of these countries has achieved a fully compliant level of technical compliance and at least a Substantial level of efficiency, not to mention a high level of system efficiency.

Denmark

Information based on the FATF mutual evaluation report /Denmark Follow-Up Report – 2021[17]. Basic information about legal entities is publicly available on the Internet in the Central Commercial Register of Denmark, but information about beneficial ownership is not disclosed. Foreign competent authorities have direct access to basic information and information about shareholders contained in the register. Law enforcement agencies can

Concerning the chosen states, we assessed them based on their evaluation report regarding of the legal, regulatory, and institutional framework within each country. These evaluations specifically focused on mutual evaluation reports conducted by FATF and other FATF-style regional bodies.

exchange information related to criminal offences within the framework of international mutual legal assistance.

In Denmark, there is no specific information on compliance with the requirements for legal entities. Sanctions under consumer protection legislation, including fines and imprisonment, are proportionate but rarely applied, which limits the possibilities for deterrence.

Finland

Information based on the FATF mutual evaluation report /Finland Follow-Up Report 2023 [18]. Participants in the anti-ML/FT system sufficiently understand the vulnerabilities associated with legal entities and the potential for the misuse of companies by criminals. Minor shortcomings remain related to cooperation with law enforcement agencies regarding information about beneficial owners and the presence of deterrent sanctions.

New Zealand

Information based on the FATF mutual evaluation report / New Zealand Follow-Up Report 2022 [19].

New Zealand has a comprehensive understanding of the ML/FT risks associated with legal entities and legal agreements. The authorities do not have enough mechanisms to obtain adequate, accurate and up-to-date information about beneficial owners.

Competent authorities can access information about beneficial owners; the timeliness of access to such information seems to be a problem. However, insufficient sanctions are applied against individuals and for violating information requirements imposed on other types of structures.

Norway

Information based on the FATF mutual evaluation report / Norway Follow-Up Report – 2023 [20].

Norway has an extensive system of registers of information on legal ownership and control, which helps to prevent misuse and obtain information about beneficial owners. The competent authorities have free access to these systems. Information on beneficial ownership of Norwegian legal entities is not available in cases where foreign legal entities or organizations are involved in the ownership/control structure, information on beneficial ownership is available only in cases where Norwegian companies participate in it.

Sanctions for non-compliance or the provision of incorrect information are limited, and in practice practically no action is taken to monitor or punish legal entities or individuals for non-compliance..

Singapore

Information based on the FATF and Asia/Pacific Group on Money Laundering (APG) mutual evaluation report / Singapore: 3rd Enhanced Follow-Up Report [21]. In general, the system works, the competent authorities have the right to access accurate and up-to-date basic information about legal entities through accounting and corporate regulatory authorities without the need to obtain a search warrant.

However, Singapore has not conducted an ML/FT risk assessment for all forms of legal entities. Of course, this has led to the fact that participants in the national system lack a consistent understanding of the risks associated with legal entities.

Table 2

#	countries	TC	E	TI
1	Venezuela	NC	LE	14
2	Haiti	NC	LE	17
3	Turkmenistan	PC	LE	19
4	Nicaragua	PC	LE	19
5	Chad	NC	LE	19

TC / Technical Compliance: C = compliant | LC = largely compliant | PC = partially compliant | NC = non-compliant

E / Effectiveness: HE = high level | SE = substantial level | ME = moderate level | LE = low level

TI / Transparency International's rate

The table 2 shows the ranking of countries with the highest levels of corruption, in which, according to their mutual assessment reports, legal entities and organizations are not protected from abuse for money laundering or terrorist financing. Only Turkmenistan and Nicaragua demonstrate

their efforts to improve the technical compliance system, which means that the internal minimums partially meet the requirements of the FATF. However, this is not enough.

Venezuela

Information based on the FATF Anti-Money Laundering and Counter-Terrorist Financing Measures Bolivarian Republic of Venezuela Mutual Evaluation Report 2023 [22]. The country has not assessed the risks of legal persons and, therefore, neither the authorities nor the reporting entities are fully aware or understand the ML/TF risks posed by them. It is not possible to determine whether financial institutions maintain up-to-date beneficial ownership information and whether

such information is available for use in a certain location.

The assessment team did not receive information on the extent to which other competent authorities, especially law enforcement authorities, have access to adequate, accurate and up to date basic information and information on beneficial owner and legal persons.

Haiti

Information based on the FATF Anti-money laundering and counter-terrorist financing measures Republic of Haiti Mutual Evaluation Report 2019 [23]. According to experts, there is no evidence that Haiti has any legal mechanisms for transparency of beneficial owners. Haitian authorities have not conducted any risk assessment to identify, assess and understand the ML/TF risks and vulnerabilities that are associated with legal persons. Information on beneficial ownership even company registry body's records might not be correct or current; the consequences of it can bring huge problems. Because of these gaps Haiti since 2021 in the list of jurisdictions under increased monitoring are actively working with the FATF to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing(grey list).

Turkmenistan

Information based on the FATF Mutual Evaluation Report of Turkmenistan 2023 [24] The risk analysis of the legal entities sector does not contain information on specific ML/FT risks; the practical understanding by the competent authorities of the vulnerability in which legal entities can be maliciously used for ML/FT purposes is insufficient.

Sanctions are not proportionate and dissuasive; information about beneficial owners is provided only upon written requests, which complicates the mechanism for prompt receipt of information by foreign competent authorities.

Nicaragua

Information based on the FATF Mutual evaluation report of the Republic of Nicaragua, October 2017 ; Second enhanced follow-up report of Nicaragua 2019 [25]. The vulnerabilities of the types of legal persons and other legal arrangements available in

Nicaragua's legal framework have not been assessed.

Although there is basic information available for some types of companies, it is not publicly available and it is not guaranteed that such information is accurate and updated, which makes it difficult for the competent authorities to carry out investigations.

There is no sanctions regime that promotes a permanent updating of information that allows adequate access to basic information.

The beneficial ownership information is not available, in due time and manner, to competent authorities.

However, since the last assessment, Nicaragua has made significant efforts to establish the obligations of legal entities to keep up-to-date and accurate information about the beneficial owner, ownership structure and control, as well as the obligations of companies to cooperate with the competent authorities. So according to which it has increased the rating is up to partially compliance (PC).

Chad

Information based on the FATF July 2023 Anti-money laundering and counter-terrorist financing measures Republic of Chad [26].

At the national level, the authorities have not yet assessed the risks of misuse of legal persons for ML/TF purposes. The competent authorities do not have direct access to basic information on registered legal persons. Such access is subject to the presentation of a request or a mission warrant. In Chad, there are no mechanisms for identifying and collecting information about the beneficial owners of legal entities. No sanctions have been imposed for non-compliance with transparency obligations by legal persons, either at the time of establishment or during the life of the legal person.

Discussion

Thus, each country demonstrates the strengths and weaknesses of its measures to ensure transparency of beneficial owners of legal entities. While some countries have comprehensive systems and effective platforms, there are problems with mechanisms for timely information, international cooperation and the application

of deterrent sanctions, while in other countries a system of transparency is just being formed.

However, given the lack of ideal systems of transparency of beneficial owners, even in the countries occupying the top positions in Transparency International ratings (Denmark, Finland, New Zealand, Norway and Singapore), the situation in these countries is certainly much better than in the countries occupying the bottom positions (Venezuela, Haiti, Turkmenistan, Nicaragua and Chad) . It was necessary to prove that in the first group of countries there are legal mechanisms and a working system to ensure transparency of beneficial ownership, although with existing shortcomings they are still at this level a tool to reduce corruption in the country.

Most importantly, the first and second groups of countries already have a transparency system, although the levels of effectiveness of the systems of these countries differ, anyhow it is possible to gradually introduce changes and additions to make it more efficient and reliable.

Conclusion

The study has shown that the requirements for combating money laundering and terrorist financing, set out in the 24 FATF recommendations, represent powerful tools that help prevent, deter, identify, and investigate corruption at both national and international levels. These recommendations serve as a foundation for creating systems capable of ensuring beneficial ownership transparency, ultimately reducing the risks of abuse and illicit financing.

The analysis demonstrated that countries with high positions in international rankings (such as Denmark, Finland, and New Zealand) have already implemented effective mechanisms to maintain transparency, although they still face certain challenges, such as the need for regular data updates and improvements in international cooperation. Nevertheless, despite these shortcomings, their systems function as effective tools for reducing corruption and enhancing accountability.

The more countries make progress in ensuring beneficial ownership transparency—by requiring up-to-date information about beneficiaries at the registration stage and actively cooperating on the international stage—the faster individual national registers

of beneficial owners will be able to become part of a global registry encompassing all countries. Such a global registry will become a powerful tool for monitoring financial flows and will assist countries in maintaining a more honest and transparent financial environment.

Global problems, such as corruption and money laundering, require joint international efforts to be overcome, as individual countries cannot effectively combat these challenges alone. Only by combining efforts at the global level can we develop solutions that help mitigate these threats and establish a fairer and more transparent global financial order. Beneficial ownership transparency, even with existing limitations, is becoming an essential component of this global pursuit of security and justice.

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ПРОЗРАЧНОСТЬ БЕНЕФИЦИАРНОГО ВЛАДЕНИЯ: КЛЮЧЕВОЙ ИНСТРУМЕНТ В БОРЬБЕ С КОРРУПЦИЕЙ

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