UNDERSTAND BENEFICIAL OWNERSHIP

Consultation Response to ASIC CP 387

Enhanced Beneficial Ownership Disclosure:
Proposed Legislative Instrument, Form and Guidance

Submitted by Understand Beneficial Ownership

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To: Australian Securities & Investments Commission

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1. Introduction and background

This submission is made by [redacted], founder of Understand Beneficial Ownership, an independent consultancy advising governments, regulators and international organisations on beneficial ownership data quality, standards and policy.

I am the former product owner of the Beneficial Ownership Data Standard (BODS) developed by Open Ownership, a leading international non-profit organisation dedicated to beneficial ownership transparency.

In that role, I led the development and implementation of BODS across multiple jurisdictions and worked directly with government registers, regulators, commercial data providers and civil society organisations worldwide. I continue to support governments, data publishers and organisations to collect, exchange and use high-quality beneficial ownership data.

I welcome the opportunity to respond to ASIC's Consultation Paper 387 on enhanced beneficial ownership disclosure for listed entities.[1] I also responded to the earlier Treasury consultation on the Business Registries Stabilisation and Uplift Bill 2025.[2]

This submission focuses on the data quality and data standards dimensions of ASIC's proposals. While CP 387 addresses the specific disclosure regime for listed entities under the Strengthening Financial Systems Act[3], the architectural and data design choices made at this stage will directly shape the effectiveness of Australia's planned Phase 2 reforms — the centrally operated, publicly accessible beneficial ownership register for unlisted entities announced by the Government in October 2025.[4]

2. The Beneficial Ownership Data Standard (BODS)

The Beneficial Ownership Data Standard (BODS) is the world's leading open data standard for beneficial ownership information.[5] It provides a structured, machine-readable format for representing who owns and controls legal persons and legal arrangements, covering the full range of ownership and control mechanisms including direct shareholdings, voting rights, board appointment powers and significant influence or control.

BODS is the approved data standard for the UK and Canadian governments.[6] The UK has formally adopted BODS as its open standard for collecting, using and

[1] ASIC Consultation Paper 387: Enhanced beneficial ownership disclosure: Proposed legislative instrument, form and guidance, 10 March 2026. ASIC CP 387

[2] Treasury Laws Amendment (Business Registries Stabilisation and Uplift) Bill 2025 consultation. Treasury consultation page

[3] Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Act 2025, Schedule 1.

[4] Assistant Treasurer and Minister for Financial Services, The Hon Dr Andrew Leigh MP, Improving transparency of the true owners of companies, October 2025.

[5] Beneficial Ownership Data Standard v0.4 documentation

[6] BODS case studies: UK and Canada government adoption

exchanging beneficial ownership information.[7] Canada uses BODS as the technical foundation for both its federal beneficial ownership register and its planned pan-Canadian Beneficial Ownership Policy to Practice (BOP2P) programme, which will aggregate beneficial ownership data from federal and provincial jurisdictions into a single interoperable repository.[8]

BODS has been implemented in production by national registers in Latvia, Armenia, Botswana and Nigeria among others. It is also used as the native data model in commercial register technology products such as EWG's Structuriser[9], Foster Moore's Verne Beneficial Ownership Register[10] and NRD Companies' BOREG[11].

This breadth of adoption demonstrates that BODS is a mature, proven standard capable of supporting diverse regulatory and data architecture requirements.

Recommendation

In response to B19Q1 from consultation paper 387, ASIC should consider adopting or aligning with BODS when designing the data model, form fields and data exchange formats for the new substantial holding notice regime and the register of relevant interests.

This would ensure that Australia's Phase 1 disclosure architecture is interoperable with international partners and provides a solid foundation for the Phase 2 centrally operated register. An early alignment would avoid costly retrofitting when the unlisted entity register is built.

3. Covering both legal persons and legal arrangements

The Financial Action Task Force's Recommendations 24 and 25 require countries to ensure that competent authorities have timely access to adequate, accurate and up-to-date beneficial ownership information on both legal persons (R24) and legal arrangements such as trusts (R25).[12]

Australia's enhanced disclosure regime should be designed from the outset to collect and connect high-quality beneficial ownership data on both categories.

CP 387's focus on listed entities necessarily involves complex ownership and control structures that frequently span both legal persons and legal arrangements. Equity derivatives, nominee arrangements, trusts and bare trustee structures are commonplace in Australian listed entity ownership chains. The new substantial holding notice form and tracing notice powers should be capable of capturing and representing these arrangements clearly and in a structured format.

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[7] UK Open Standards for Government: Collect, use and exchange beneficial ownership information

[8] Open Ownership: Canada beneficial ownership profile. See also the Beneficial Ownership Policy to Practice (BOP2P) programme.

[9] https://www.structuriser.com/

[10] https://www.fostermoore.com/verne/beneficial-ownership-register

[11] https://www.nrdcompanies.com/products-solutions/beneficial-ownership-register

[12] FATF Recommendation 24 (Legal Persons) and Recommendation 25 (Legal Arrangements), revised 2022–2023.

BODS is specifically designed to represent both legal persons and legal arrangements within its data model. Entity statements in BODS support a range of entity types including registered entities, listed companies, legal arrangements (trusts, partnerships), anonymous entities and state bodies. This is a significant advantage over data models that only accommodate corporate legal persons - and it is directly relevant to ensuring that Australia's disclosure regime captures the full picture of who owns and controls listed entities.

I note the particular relevance of this point for Australia. The Global Energy Monitor's report *The Fossil Fuel Middlemen* documented how nominee structures are used to obscure beneficial ownership of Australian investments in coal, oil, and gas.[13]

Nominee and trustee arrangements are deeply embedded in Australian corporate and financial practice. Any disclosure regime that cannot adequately capture these arrangements will have a significant transparency gap.

Recommendation

ASIC should ensure that the new substantial holding notice form includes structured fields capable of identifying and distinguishing between legal persons and legal arrangements (including trusts, nominees, and bare trustee structures) in ownership chains.

The tracing notice powers should explicitly extend to requiring disclosure of beneficial ownership interests held through legal arrangements, not only through corporate legal persons.

4. From data collection to analytical use: making beneficial ownership data usable

Collecting beneficial ownership data is only valuable if that data can be effectively used. Structured, standards-compliant data enables a range of analytical capabilities that go far beyond simple compliance checking including ownership chain traversal, circular ownership detection, cross-jurisdictional tracing and network analysis.

In 2024, I co-presented a webinar with the Australian team from GraphAware demonstrating how BODS-structured beneficial ownership data could be loaded into and analysed using GraphAware's Hume platform, which is powered by the Neo4j graph database.[14][15]

This event was attended by a significant number of Australian government officials who were able to see how standardised beneficial ownership data enables complex ownership investigations. The Hume platform is already deployed by government

[13] The Fossil Fuel Middlemen: How Nominee Structures Obscure Australian Investments in Coal, Oil and Gas, Global Energy Monitor.

[14] Master Complex UBO Investigations with Advanced Graph Technology, OpenOwnership and GraphAware, 2024.

[15] UBO Investigation with Graph Technology, GraphAware blog.

departments in Australia[16] and internationally for investigative and compliance purposes.[17]

Graph databases such as Neo4j are a natural fit for beneficial ownership analysis because ownership chains, loops and ultimate parent traversal are fundamentally graph problems that relational databases handle poorly. However, graph analysis is only one of many downstream uses that structured beneficial ownership data enables.

BODS data can be transformed into multiple usable formats depending on the analytical need.[18] These include: graph database formats (Neo4j, Amazon Neptune) for ownership chain traversal and network analysis; RDF/linked data and SPARQL for querying ownership across multiple datasets[19]; flat file formats (CSV, Parquet, SQLite) for statistical analysis and reporting; and API-accessible structured data for real-time compliance and due diligence workflows.

This flexibility is critical for a regulator like ASIC, which will need to support multiple use cases: internal compliance monitoring, cross-agency intelligence sharing, public transparency, and integration with the future Phase 2 register for unlisted entities.

Adopting a well-structured data model from the outset - rather than retrofitting structure onto unstructured PDF-based or free-text disclosures - will be significantly more cost-effective and analytically powerful.

Recommendation

In response to B19Q2 from consultation paper 387, ASIC should design the new substantial holding notice as a structured, machine-readable submission rather than a PDF-based form. The data model underlying the form should be capable of supporting downstream analytical use cases including graph-based ownership analysis, cross-dataset linking, and integration with the planned Phase 2 register.

5. International lessons: what works and what to avoid

Australia's two-phase approach to beneficial ownership reform is broadly in line with international trends. However, the experience of other jurisdictions offers important lessons, both positive and cautionary, that ASIC should consider.

The UK: early adoption of structured data and identity verification

The UK's Persons with Significant Control (PSC) regime is the world's largest public beneficial ownership register. Companies House is currently implementing mandatory identity verification for directors and beneficial owners under the Economic Crime and Corporate Transparency Act 2023.

[16] https://graphaware.com/resources/transforming-policing-in-western-australia/

[17] YouTube recording: Master Complex UBO Investigations with Advanced Graph Technology

[18] Transforming standardised beneficial ownership data into usable formats, Stephen Abbott Pugh, Medium.

[19] https://www.openownership.org/en/publications/rdf-vocabulary-for-the-beneficial-ownership-data-standard/

The UK experience demonstrates the value of publishing structured data in multiple formats from the outset. It has enabled bulk data access[20], released multiple APIs[21] and supports third-party validation of PSC records at scale.

Canada: BODS for cross-jurisdictional aggregation

Canada launched its public federal beneficial ownership register in January 2024 and is committed to using BODS in future[22]. The Beneficial Ownership Policy to Practice (BOP2P) programme shows how government plans to aggregate beneficial ownership data from federal and provincial jurisdictions into a single pan-Canadian repository - using BODS as the common data standard[23].

Canada's approach is directly analogous to what Australia will need for its Phase 2 register, where data from ASIC's listed entity disclosures will need to be combined with the centrally operated register for unlisted entities.

The EU: a cautionary tale on interoperability

The European Union's Beneficial Ownership Registers Interconnection System (BORIS) was intended to create a single search point for BO data across EU member states. In practice, BORIS has fallen significantly short of this goal.[24]

Key failures include: no machine-readable data (records are only available as PDFs for individual companies); paywalled access in most jurisdictions; and highly variable data quality across the 17 connected registers. These failures are directly attributable to the absence of a common data standard across EU member state registers.

Australia has the opportunity to avoid repeating these mistakes by building its Phase 1 and Phase 2 systems on a common, structured data standard from the beginning.

6. Specific comments on CP 387 proposals

Substantial holding notice form design

The consolidation of Forms 603, 604, and 605 into a single substantial holding notice is a welcome simplification. In designing the new form, ASIC should ensure that each data field maps to a clearly defined, structured data element rather than relying on free-text fields.

In particular, the fields for identifying beneficial owners, describing the nature of interests, and specifying percentage holdings should use standardised codelists and formats that support downstream machine processing. BODS provides reference

[20] https://www.gov.uk/guidance/companies-house-data-products

[21] https://developer-specs.company-information.service.gov.uk/

[22] https://www.openownership.org/en/news/canada-passes-law-to-create-public-beneficial-ownership-register

[23] https://ised-isde.canada.ca/mras/partners/bop2p/

[24] Challenges in realising the goal of the EU's Beneficial Ownership Registers Interconnection System (BORIS), Stephen Abbott Pugh, Medium.

codelists for interest types, entity types and identifier schemes that could serve as a starting point for this design work.

Tracing notices

The expanded tracing notice powers are a significant improvement. Effective tracing of beneficial ownership chains requires a data model that can represent multi-hop ownership structures - where Company A is owned by Company B, which is owned by Trust C, whose beneficiary is Person D.

BODS's three-statement data model (person statements, entity statements and relationship statements) is specifically designed to represent these chains, including indirect ownership through intermediate legal persons and legal arrangements[25].

ASIC should ensure that the data collected through tracing notices is structured in a way that can be combined with substantial holding notice data to build a coherent picture of ownership chains.

Register of relevant interests

The proposals to enhance access to and usability of registers of relevant interests are welcome. Usability depends critically on data structure: a register that publishes structured, machine-readable data is fundamentally more useful than one that publishes scanned PDFs or unstructured text, regardless of how broad the access provisions are.

ASIC should specify a structured data format for the register of relevant interests and consider making bulk data available for programmatic access by regulators, compliance professionals, and researchers.

Foreign entity alignment

The extension of disclosure requirements to foreign-registered entities listed on Australian markets is an important step. Cross-border interoperability is one of the strongest arguments for adopting an international data standard.

If ASIC's disclosure data is structured to BODS, it becomes immediately interoperable with the growing number of jurisdictions that have adopted or aligned with the standard, facilitating cross-border regulatory cooperation and compliance workflows.

7. Verification and data quality

Data collection is only valuable if the resulting data can be trusted. Open Ownership has published extensive guidance on designing verification systems for beneficial ownership data, covering checks at the point of submission, cross-referencing against authoritative databases, and ongoing monitoring.[26]

[25] https://standard.openownership.org/en/latest/standard/modelling/repr-beneficial-ownership.html

[26] Verification of beneficial ownership data, Open Ownership.

In my earlier submission to the Treasury registry stabilisation consultation, I endorsed the proposal to use the Director ID verification framework as a model for the design of ASIC's beneficial ownership register. I reiterate that recommendation here.

The verification and confirmation processes developed for the Director ID scheme - including identity verification, cross-referencing with authoritative sources and ongoing update obligations - should inform the design of verification processes for both the Phase 1 listed entity disclosures and the Phase 2 centrally operated register.

Collecting verified, interoperable and up-to-date beneficial ownership data will best help ASIC and the Australian Government achieve their goals relating to enhancing corporate transparency and tackling money laundering.

BODS includes technical mechanisms for recording verification status. Each statement in a BODS dataset can carry source metadata indicating whether the information is self-declared or has been subject to verification, and by whom. This allows downstream users of the data - whether regulators, compliance professionals, or the public - to assess the reliability of individual data points and make informed decisions about trust and risk.

8. Conclusion

Australia's two-phase approach to beneficial ownership reform is an opportunity to build a world-class system from the ground up. The decisions made in Phase 1 for listed entities - the form design, data model, verification processes and data exchange formats - will directly shape the success of Phase 2 and Australia's ability to meet its international obligations under FATF Recommendations 24 and 25.

My central recommendations are:

- First, adopt or align with the Beneficial Ownership Data Standard (BODS) for the data model underlying the new substantial holding notice form, the register of relevant interests, and the future Phase 2 register. BODS is the world's leading open standard for beneficial ownership data, already adopted by the UK and Canadian governments, and would ensure international interoperability and a coherent data architecture across both phases

- Second, design the disclosure regime to collect high-quality data on both legal persons and legal arrangements from the outset. This includes structured fields for trusts, nominees and bare trustee arrangements, which are prevalent in Australian listed entity ownership structures

- Third, ensure that the new substantial holding notice is a structured, machine-readable submission - not a PDF-based form - to enable the full range of analytical use cases that modern beneficial ownership data supports, from graph-based ownership analysis to cross-dataset risk detection

- Fourth, build verification processes into the disclosure regime from the outset, drawing on the Director ID framework and international best practice on beneficial ownership data verification

I would welcome the opportunity to discuss any aspect of this submission with ASIC in further detail.

Yours sincerely

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