

TTEITI launches beneficial ownership registry for local energy sector



THE TT Extractive Industries Transparency Initiative (TTEITI) is inviting the public to use its new beneficial ownership register of oil, gas and mining companies that report to the TTEITI.

As an aid to encourage transparency in an industry that can be notoriously opaque, the register will allow the public, law enforcement, journalists, financial institutions and other interested parties to search this free tool to look up the beneficial owners in the local energy sector. A beneficial owner is someone who directly or indirectly owns the company or controls at least ten per cent of shares/total votes.

The register was launched on August 10. Currently, there are 31 companies listed, with others soon to be added. The register will require each compliant company to disclose each of its subsidiaries, including shell companies. It's a small register, compared to the Ministry of Legal Affairs Company Registry, but it is an anti-corruption measure nonetheless.

The TTEITI has been a beneficial ownership advocate and lobbied for the changes passed in the Companies (Amendment) Act 2019, which addressed pitfalls in the 1995 Companies Act and made it mandatory that all companies declare their beneficial ownership in order to counteract tax evasion, terrorist financing, and money laundering. The TTEITI in a recent release called the register “unprecedented in

the country's history ...paving the way for a more open and accountable management of revenues from natural resources.”

The register includes information about the beneficial owners of several extractive companies including the names of natural persons, registered addresses and official Board of Inland Revenue company number. It also provides the names of any politically exposed persons associated with the reporting companies, notably state enterprises.

“The TTEITI beneficial ownership register of extractive companies is a learning opportunity for the government which plans to create a national beneficial ownership register of all companies. Such a national beneficial ownership register will be a historic milestone in the battle against financial crime, but more needs to be done before Trinidad and Tobago can finally join other countries around the world, and specifically in Latin America and the Caribbean, in the global effort to tackle illicit finance,” the organisation said.

Public registers help shine a light on hidden corporate structures that can be exploited to launder the proceeds of corruption, hide conflicts of interest, improperly win lucrative government contracts, and evade tax payments. In the oil, gas, and mining sectors, the loss of such tax revenues for a country can add up quickly. It has been estimated that up to US\$1 trillion is siphoned out of developing countries in lost tax revenues through shell companies that hide their beneficial owners every year, the TTEITI said.