

For the kind attention of:

Mr. Ramy M. Youssef, Chair of the Intergovernmental Negotiating Committee to draft a United Nations Framework Convention on International Tax Cooperation and two early protocols (INC) and Mr. Daniel Nuer, Co-Lead of Workstream I.

4 December 2025

Subject: Submission regarding the Co-Lead's Draft Framework Convention Template (24 October 2025) for the Intergovernmental Negotiating Committee on the UN Framework Convention on International Tax Cooperation.

Abstract

Open Ownership welcomes the draft of the UN Framework Convention on International Tax Cooperation (UNFCITC) and underscores the relevance of the Sevilla Commitment to strengthening international tax cooperation. This submission highlights the importance of beneficial ownership transparency for this agenda. Despite global progress, significant gaps remain in implementation, limiting efforts to curb tax abuse and illicit financial flows. Building on existing systems, improving data quality, and ensuring structured access to interconnected information will enhance fair, effective tax systems and support sustainable development.

Open Ownership is a global not-for-profit, non-governmental organisation that advances accountable ownership by ensuring that information on beneficial ownership networks is available and effectively used at scale to strengthen financial systems and economies both domestically and globally.¹ In this stakeholder submission, we respond to the request for written inputs on the Co-Lead's Draft Framework Convention Template from 24 October 2025 under Workstream I: Framework Convention (A/AC.298/CRP.21) of the UNFCITC.

We welcome the draft of Articles 4 through 10 of the Framework Convention. Globally, countries lose an estimated USD 480 billion a year to tax abuse.² It is estimated that Africa loses USD 88.6 billion annually due to IFFs, and that Latin America and the Caribbean had a USD 31 billion loss in 2013.³

The importance of beneficial ownership transparency to taxation has gained relevance over the past years and reflects a growing consensus that information on beneficial ownership of legal vehicles and assets is vital to building fairer, more effective tax systems. A recent International Monetary Fund paper notes that beneficial ownership transparency sits at the centre of anti-money laundering and tax frameworks, and is “a fundamental countermeasure” for preventing abuse.⁴

Opacity in the ownership and control of legal vehicles enables tax evasion and other tax-related illicit financial flows. Complex and transnational networks of companies, foundations, partnerships, trusts, and other legal vehicles obscure the identity of those who ultimately control and benefit from taxable assets – the beneficial owners. Opacity can also mask the nature and source of income flows, and the relationships between various parties relevant to taxation.⁵ This undermines the ability of tax authorities and other relevant actors to identify the true beneficial owners of taxable assets and income.⁶

Domestic beneficial ownership registers are the building blocks of both domestic and international information ecosystems which help understand the beneficial ownership of

¹ See: www.openownership.org. Open Ownership is fiscally sponsored by Global Impact, a U.S. non-profit through which it is accredited to participate in the UNFCITC negotiations (record ID: ACEV-02702).

² Tax Justice Network, *The State of Tax Justice 2023* (Tax Justice Network, 2023), <https://taxjustice.net/reports/the-state-of-tax-justice-2023/>.

³ United Nations Trade and Development, “Africa could gain \$89 billion annually by curbing illicit financial flows”, 28 September 2020, <https://unctad.org/news/africa-could-gain-89-billion-annually-curbing-illicit-financial-flows>; United Nations Economic Development Division of the Economic Commission for Latin America and the Caribbean, *Economic Survey of Latin America and the Caribbean: The 2030 Agenda for Sustainable Development and the challenges of financing for development* (Santiago: United Nations, 2016), <https://repositorio.cepal.org/server/api/core/bitstreams/5a680a1c-77fe-4554-8ecd-fb5ef6e86ead/content>.

⁴ Emmanuel Mathias and Adrian Wardzynski, “Leveraging Anti-money Laundering Measures to Improve Tax Compliance and Help Mobilize Domestic Revenues”, *IMF Working Papers* 2023, no. 083 (2023), <https://www.elibrary.imf.org/view/journals/001/2023/083/article-A001-en.xml>.

⁵ Tymon Kiepe, *Leveraging information about beneficial ownership networks to improve taxation* (Open Ownership, 2025), <https://www.openownership.org/en/publications/leveraging-information-about-beneficial-ownership-networks-to-improve-taxation>.

⁶ Global Forum on Transparency and Exchange of Information for Tax Purposes, *Beneficial Ownership and Tax Transparency – Implementation and Remaining Challenges* (Paris: OECD Publishing, 2024), 5, https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/07/beneficial-ownership-and-tax-transparency-implementation-and-remaining-challenges_616488db/f05790b1-en.pdf.

legal vehicles and assets. There has been commendable progress over the past years – over 100 countries now have central beneficial ownership registers for legal vehicles.⁷ However, their effectiveness lags behind. According to the Organisation for Economic Co-operation and Development (OECD), close to 50% of the 112 jurisdictions assessed have severe deficiencies in their legal framework and/or the effective implementation of beneficial ownership transparency.⁸ According to the Financial Action Task Force (FATF), only 9% of assessed countries have effectively implemented them.⁹ It is well documented that further progress is needed to bring existing international commitments to fruition.

Both the importance of domestic beneficial ownership registers to international taxation and the need to address the deficiencies in implementation are illustrated by the Sevilla Commitment (A/RES/79/323) that was adopted through the Fourth International Conference on Financing for Development in July 2025. In it, parties agreed “to strengthen international tax cooperation and ensure that international tax rules respond to the diverse needs, priorities and capacities of all countries, especially developing countries”.¹⁰

We highlight the the following provision (28.g) on beneficial ownership transparency in particular:

We commit to enhance beneficial ownership transparency and cooperation on exchange of beneficial ownership information. We will implement effective domestic beneficial ownership registries with high-quality and standardized information, consistent with international standards. We will enhance mechanisms for information exchange among national beneficial ownership registries and consider the feasibility and utility of a global beneficial ownership registry. In all these efforts, we will build on existing work, facilitate the exchange of knowledge and best practices, and provide assistance to developing countries in implementing these transparency standards...¹¹

With accurate beneficial ownership data about legal vehicles, governments can more effectively mobilise domestic resources, strengthen tax collection systems, and safeguard public revenue – critical for supporting sustainable development and funding public services. Where beneficial ownership registers contain commonly structured and electronically searchable datasets, this can transform the efficiency of data sharing and potential for analysis both domestically and internationally.

Connecting beneficial ownership information about legal vehicles with information about assets across borders helps tackle practices that enable tax evasion and illicit financial flows. **A global ecosystem of beneficial ownership information is needed, which enables relevant actors to access information about transnational beneficial ownership networks directly**

⁷ Open Ownership, “Open Ownership map”, <https://www.openownership.org/en/map/>.

⁸ OECD, *Beneficial Ownership and Tax Transparency*, 5.

⁹ FATF, *Report on the State of Effectiveness Compliance with FATF Standards* (Paris: FATF, 2022), 6, <https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Report-on-the-State-of-Effectiveness-Compliance-with-FATF-Standards.pdf.coredownload.pdf>.

¹⁰ Sevilla Commitment, Outcome Document adopted at the Fourth International Conference on Financing for Development (A/RES/79/323), 13, https://financing.desa.un.org/sites/default/files/2025-08/FFD4%20Outcome%20Booklet%20v4_EN%20-%20spread.pdf.

¹¹ Sevilla Commitment, Outcome Document, 14.

and seamlessly. Effective domestic implementation is the foundation for this information to be exchanged and interconnected, and there is a real opportunity for the Convention to mandate progress on this agenda, and to clearly articulate an outcome that **beneficial ownership information from all States Parties to the UNFCITC should be directly and and seamlessly available to relevant actors to use for tax purposes.**

We urge States Parties to carry the commitments from the *Compromiso de Sevilla* forward through the UNFCITC negotiations, echoing the joint civil society and trade unions response to the Co-Lead's Draft Framework Convention Template, published 24 October 2025, on behalf of the Global Alliance for Tax Justice (GATJ), a shared civil society position to which Open Ownership is a signatory.¹²

From our work with governments worldwide, Open Ownership has a detailed understanding of what it takes to implement effective domestic beneficial ownership registers with high-quality and standardized information, consistent with international standards. Effective solutions should:

- **Build on what exists.** National beneficial ownership registers for companies and other legal vehicles, as well as existing shareholder and nominee and asset registers, contain valuable information. Connecting and harmonising these sources will be more effective and efficient than collecting new and duplicate data.
- **Prioritise data quality and interoperability.** Well-structured and accurate information enables reliable analysis and exchange.
- **Link beneficial ownership data for legal vehicles with asset registers.** Connecting legal vehicle and asset records (such as land or property) through shared identifiers across borders helps tax authorities see complete beneficial ownership networks.
- **Improve understanding of direct interests.** Clear, comparable data on direct links between e.g. a company and a trust, reduces duplication, improves accuracy, and reduces reporting burdens for businesses.
- **Enable structured, timely access.** Moving from ad-hoc information exchange toward direct real-time access reduces friction and strengthens enforcement.
- **Ensure clear governance and purpose.** Clarity over why and how information is used supports trust, compliance, and defines legitimate access.

Applying these approaches will help countries make beneficial ownership transparency an integral part of strong, fair, and resilient tax systems, and lay the foundations for the interconnection of registers to create a global ecosystem of information that sheds light on the beneficial ownership of legal vehicles and assets and enables the exchange of relevant information, so it can be quickly and directly accessed by relevant actors. We urge the Committee to include language that enables the concrete solutions required by the aspirational outcomes of this global policy agenda.

¹² Global Alliance for Tax Justice, "Civil Society and Trade Unions Response to Co-Lead's Draft Framework Convention Template", <https://globaltaxjustice.org/news/co-leads-draft-template-response>.