

UBO - Control & Ownership

The importance and impact on effective
sanction risk mitigation

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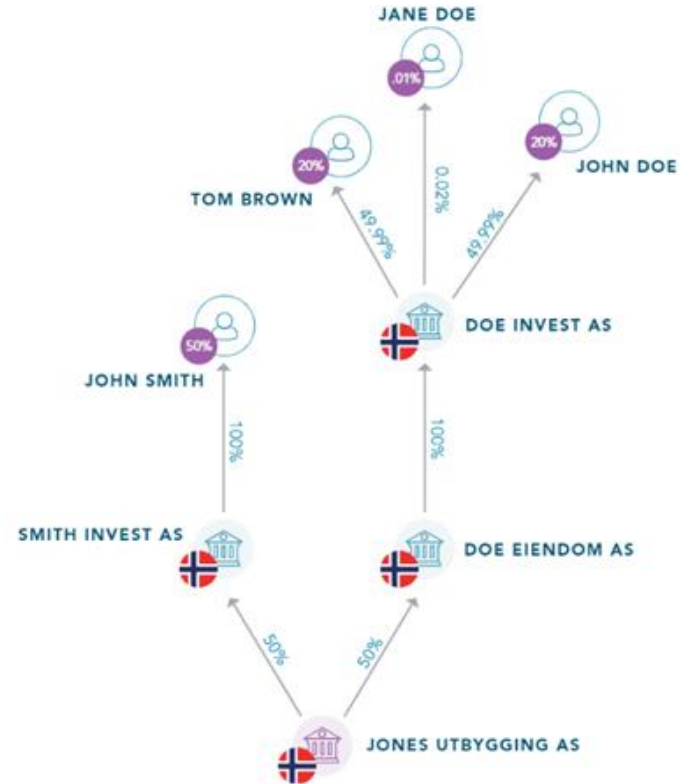
Mark Ablhad

GTM Manager Risk & Compliance, Dun & Bradstreet

Definition:

Ultimate Beneficial Owner

- A beneficial owner is someone who ultimately owns or controls a company
- The definition of who constitutes a UBO varies between jurisdiction
- Since 2015 it's required for EU Member states to implement a central register of UBO
- Designated UBOs through control mechanisms
- Often more than 25 % ownership

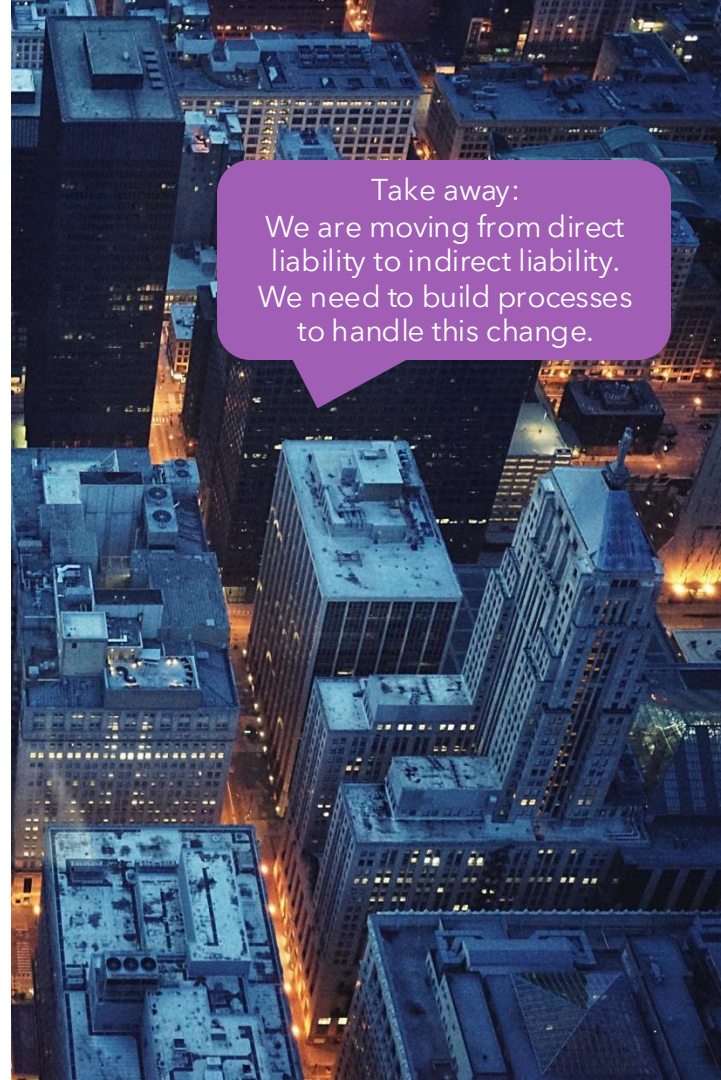




Definition: **Control & Ownership**

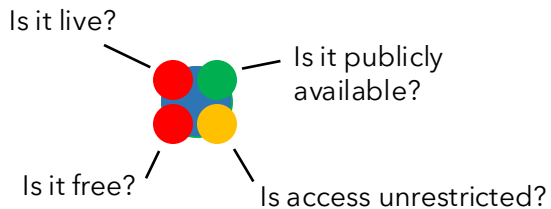
- Principles - Board Members & Executives
- Owners
- Subsidiaries
- Branches
- Voting Rights
- Control through Legal corporate form
- No need of direct ownership (as UBO has)

Take away:
We are moving from direct liability to indirect liability.
We need to build processes to handle this change.

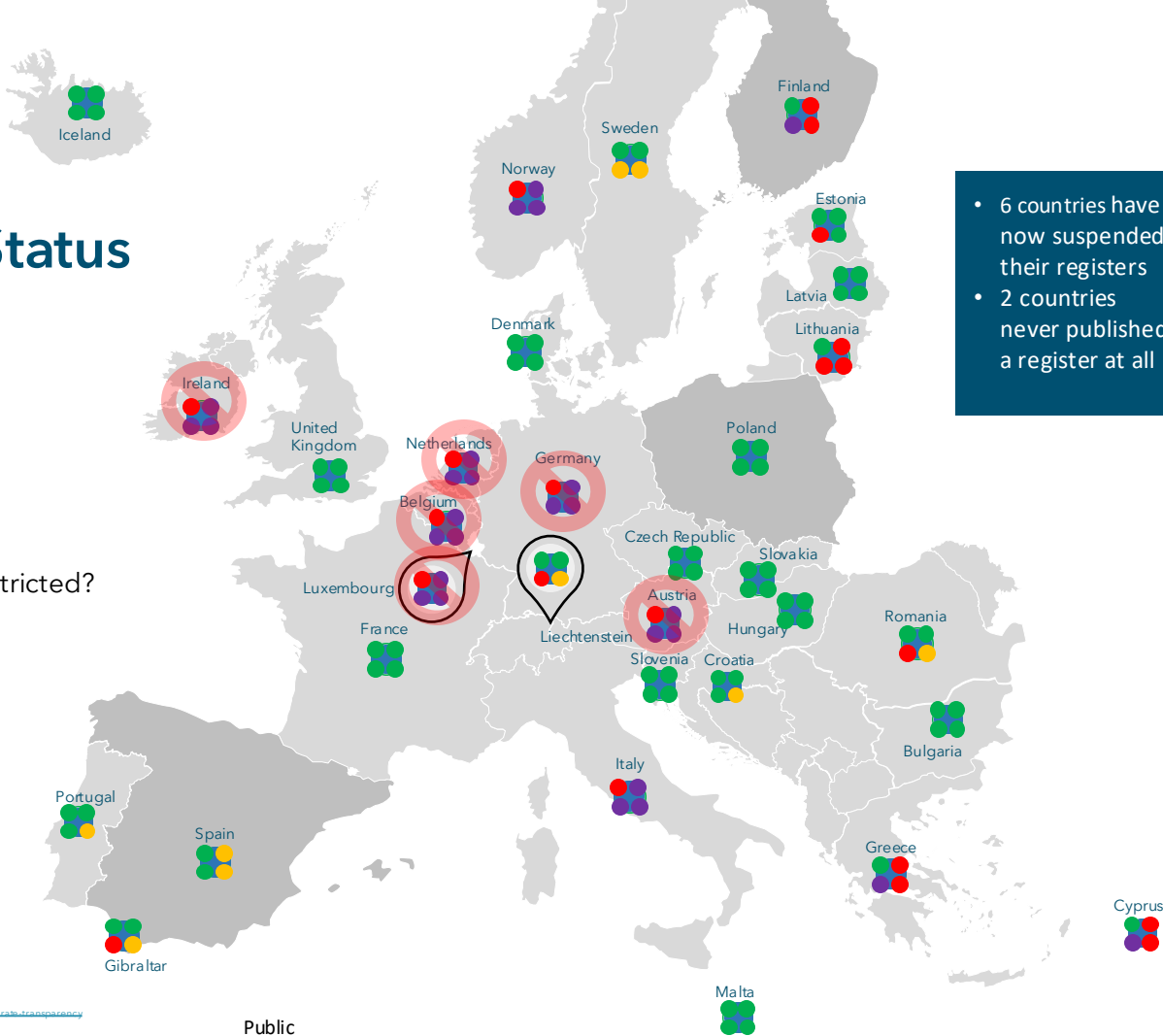




What's the impact of EU UBO Register Status



- - Yes
- - Restricted or limited
- - No
- - N/A
- ⊘ - Suspended



- 6 countries have now suspended their registers
- 2 countries never published a register at all

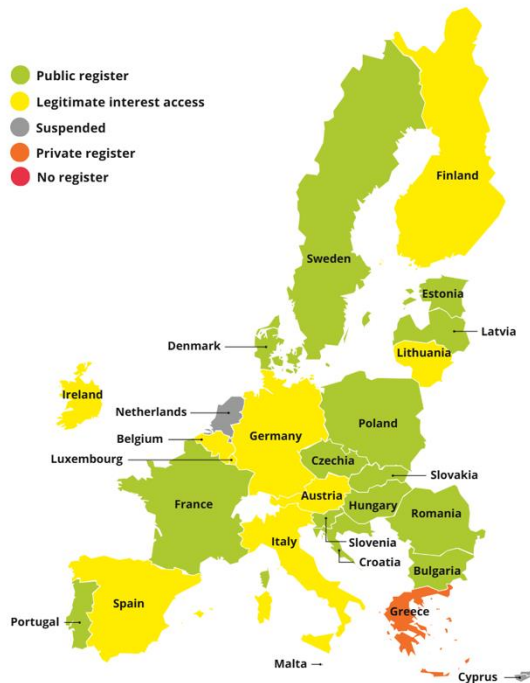
Sources

<https://medium.com/transparent-data-eng/ultimate-ben-eficial-own-ers-registers-in-the-eu-2022-act1-a3-057bc>
<https://www.linkedin.com/pulse/registers-ben-eficial-own-ers-eu-uborban/>
<https://www.transparen.eu/en/about-us/journaling-eu-public-ben-eficial-own-ers-bip-registers-what-eyes-for-corporate-transparency>

Public



What is the impact of EU Register Status One year after the CJEU Ruling



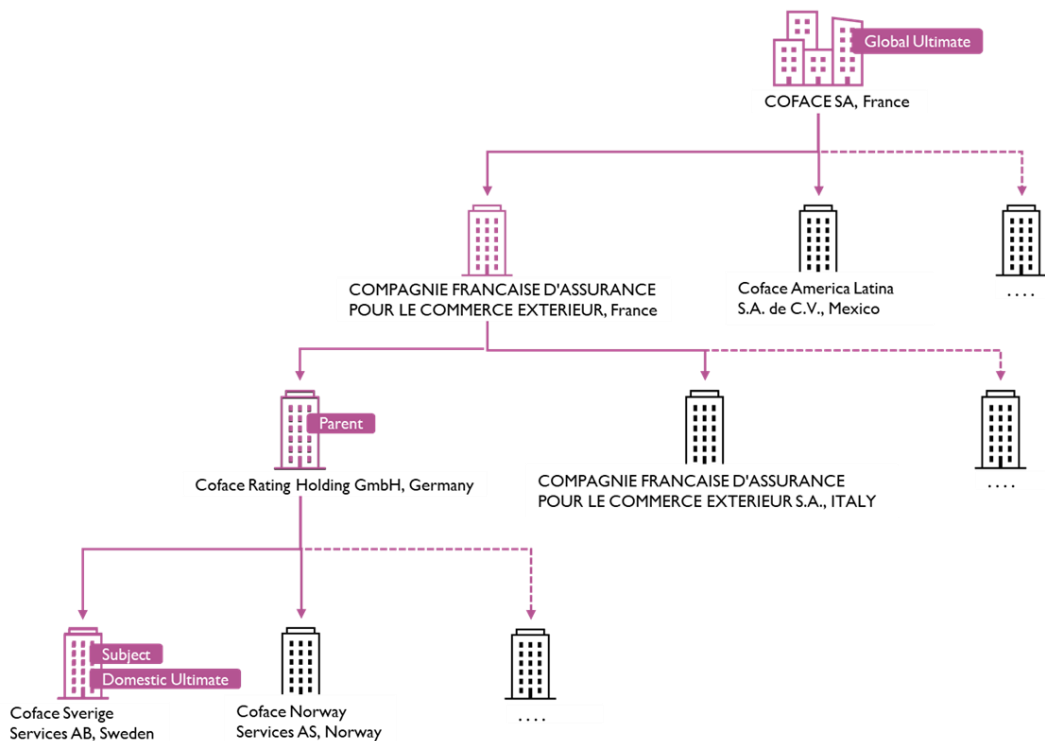
[EU court ruling on beneficial ownership registers:...](#) - [Transparency.org](#)

Public

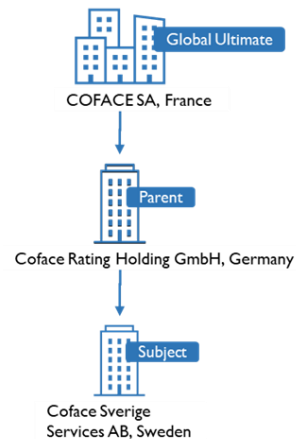




Full Family Tree in Direct +



Family Tree in Local





Examples of
when it went wrong



Tiktok släcks ned i USA

GB-ägaren Unilever svartlistas av Ukraina

SVERIGE

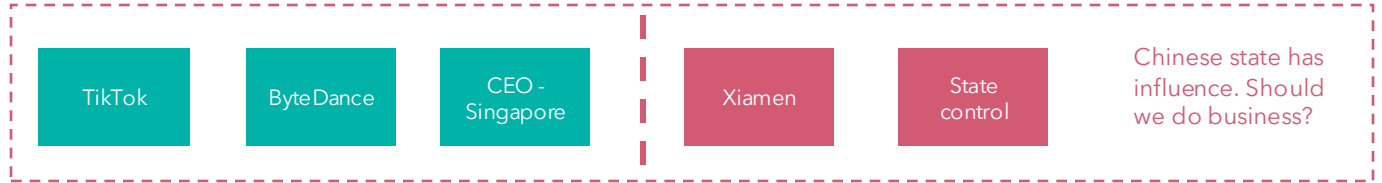
Transportstyrelsen vill ingå nytt avtal med bolag kopplat till Ryssland



”Fortsätt att bojkotta Marabou”



TIKTOK



A quick check in **D&B Risk Analytics** gives us this image on TikTok

- Summary
- Company Overview
- Scores and Ratings
- Financial Characteristics
- Public Filings
- Environmental Social Governance
- D&B Country/Region Risk
- Corporate Linkage**
- Control and Ownership
- Diversity
- Screening
- Counterparties
- Outreach
- Registry Intelligence
- Cyber Risk
- Data Provenance

GU Xiamen Xingchen Qidian Technology Co., Ltd.
(69-938-8164) Xiamen, Fujian, CN



DU Tiktok Inc.
(07-991-8992) Culver City, California, US

- Country/Region Risk
- Entity United States
 - Parent/Headquarters China
 - Domestic Ultimate United States
 - Global Ultimate China





Unwanted Foreign Ownership

SVERIGE

**Transportstyrelsen vill ingå
nytt avtal med bolag kopplat till
Ryssland**

Uppdaterad 2024-07-30 Publicerad 2024-07-30

dn.se



Tönnjes Intl. Group GmbH

23
Entities

Family Tree

23 of 23

- GU TÖNNJES INTERNATIONAL GROUP GmbH (31-289-0025) Delmenhorst, Niedersachsen, DE
 - SI Infrastruktur Holding GmbH (31-374-9867) Delmenhorst, Niedersachsen, DE
 - S J. H. Tönnjes E.A.S.T. Beteiligungs GmbH (31-488-7266) Delmenhorst, Niedersachsen, DE
 - SI Infrastruktur Beteiligungs GmbH (34-123-3058) Delmenhorst, Niedersachsen, DE
 - HO TÖNNJES SI PATENT HOLDING GmbH (31-289-4200) Delmenhorst, Niedersachsen, DE
 - HO Tönnjes International GmbH (34-226-3996) Delmenhorst, Niedersachsen, DE
 - HO J.H. Tönnjes E.A.S.T. GmbH & Co. KG (31-491-5471) Delmenhorst, Niedersachsen, DE
 - OU ZNAK, OOO (55-258-0839) Moscow, Moscow, RU





- Summary
- Company Overview
- Scores and Ratings
- Financial Characteristics
- Public Filings
- Government Indicators
- Environmental Social Governance
- Corporate Linkage
- Diversity
- Composite Risk Scorecard
- Screening
- Special Events
- Ultimate Beneficial Owner

ZNAK, OOO

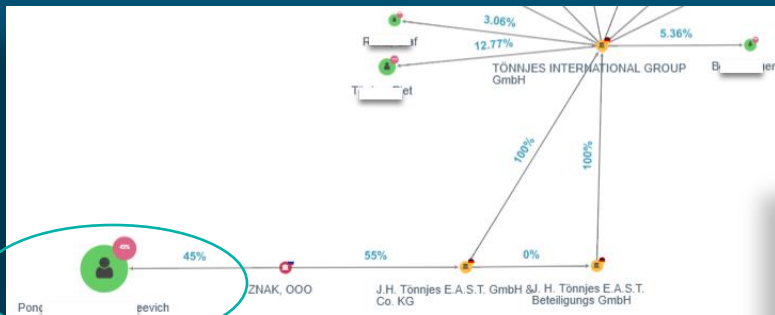
D-U-N-S® : 55-258-0839

Address prospekt Leningradski d. 35, Moscow, Moscow, 125284, RU

[Map](#)

Phone (7) 495 178 4444

Website www.znak.ru



Notes:

DOW JONES NOTES:
PROFILE CREATED: 06-Oct-2022

06-Oct-2022

This company is 45% owned by OFAC SDN and EU and UK Sanctioned Vale [redacted] narev



TRANSPORTSTYRELSEN

Impact on Sanctions Compliance?





SWEDISH INDUSTRY COMPANY

Swedish industry company

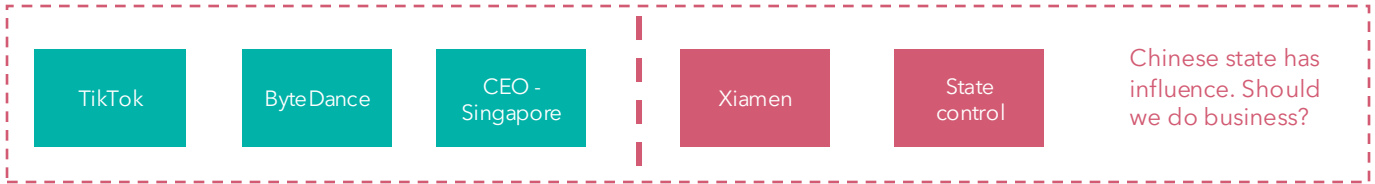




Risk Level	Event Categories
5	Watchlists (2), Adverse Media (26), Political Affiliations (5), Sanctions (43)



UBO is good, but you need to be able to look further



Swedish industry company



86 %

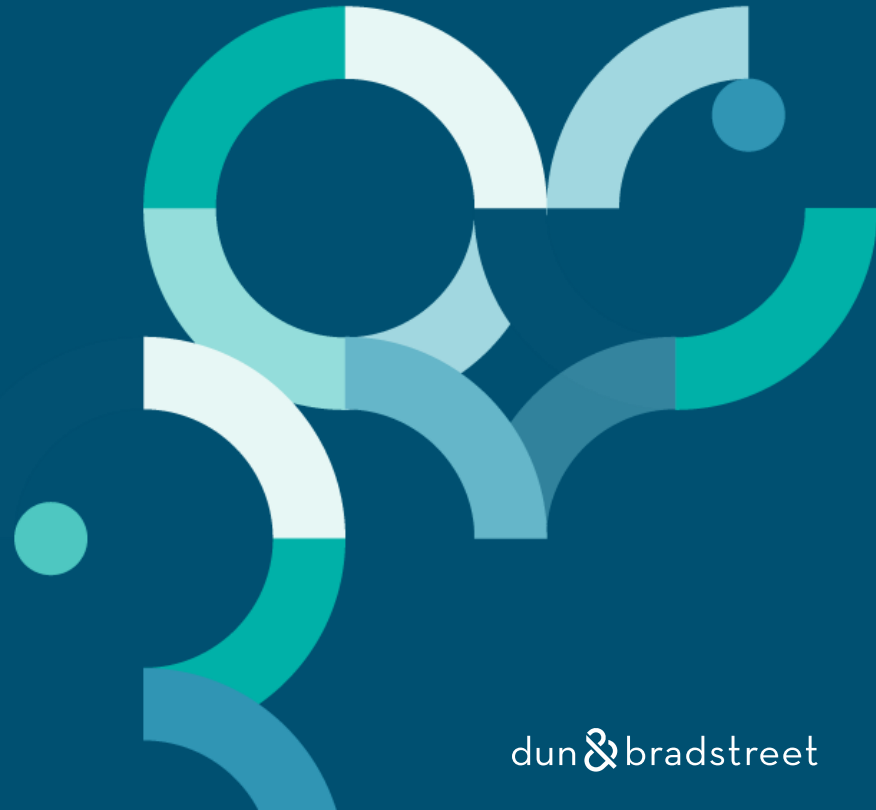
of the most threatening
criminal networks make use of
Legal Business Structures (LBS)

Source: Europol

Perpetual KYC

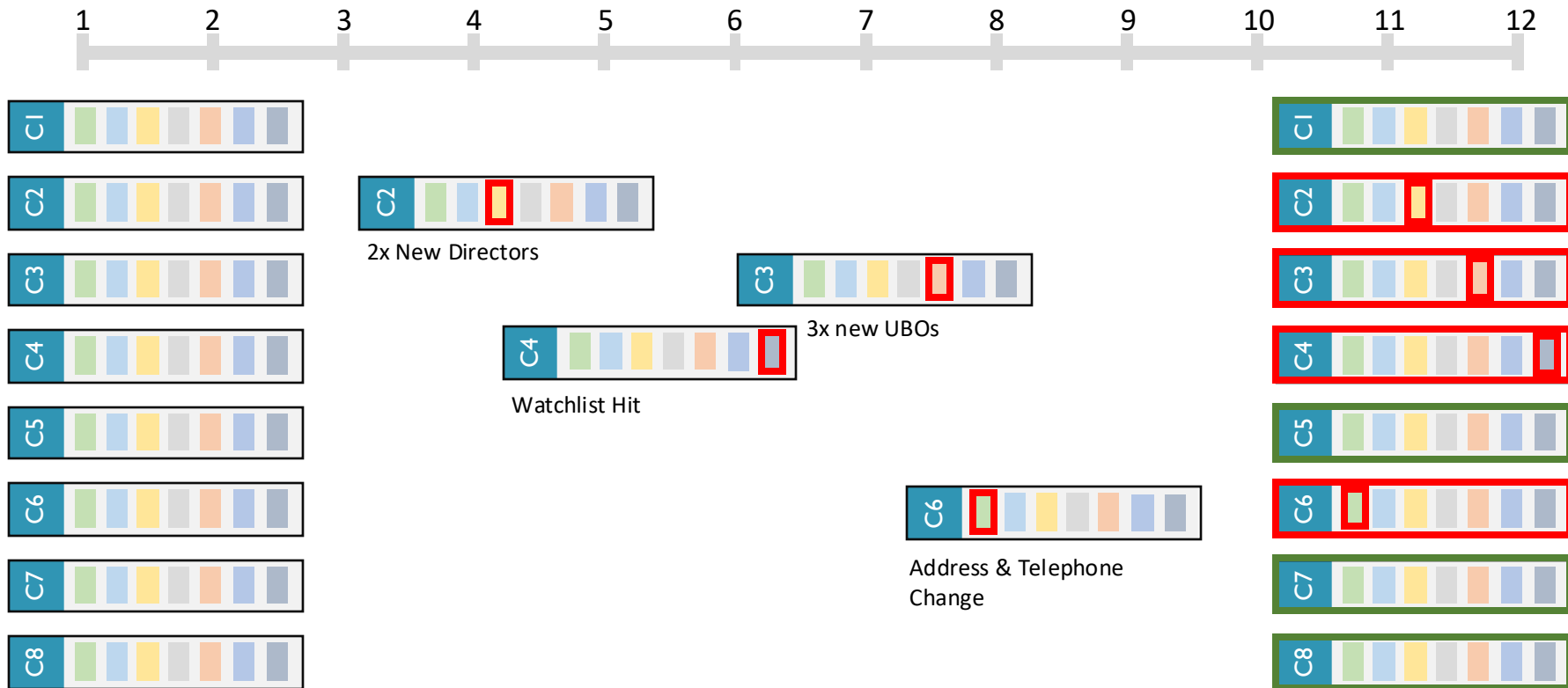
What is it?

What are the benefits?



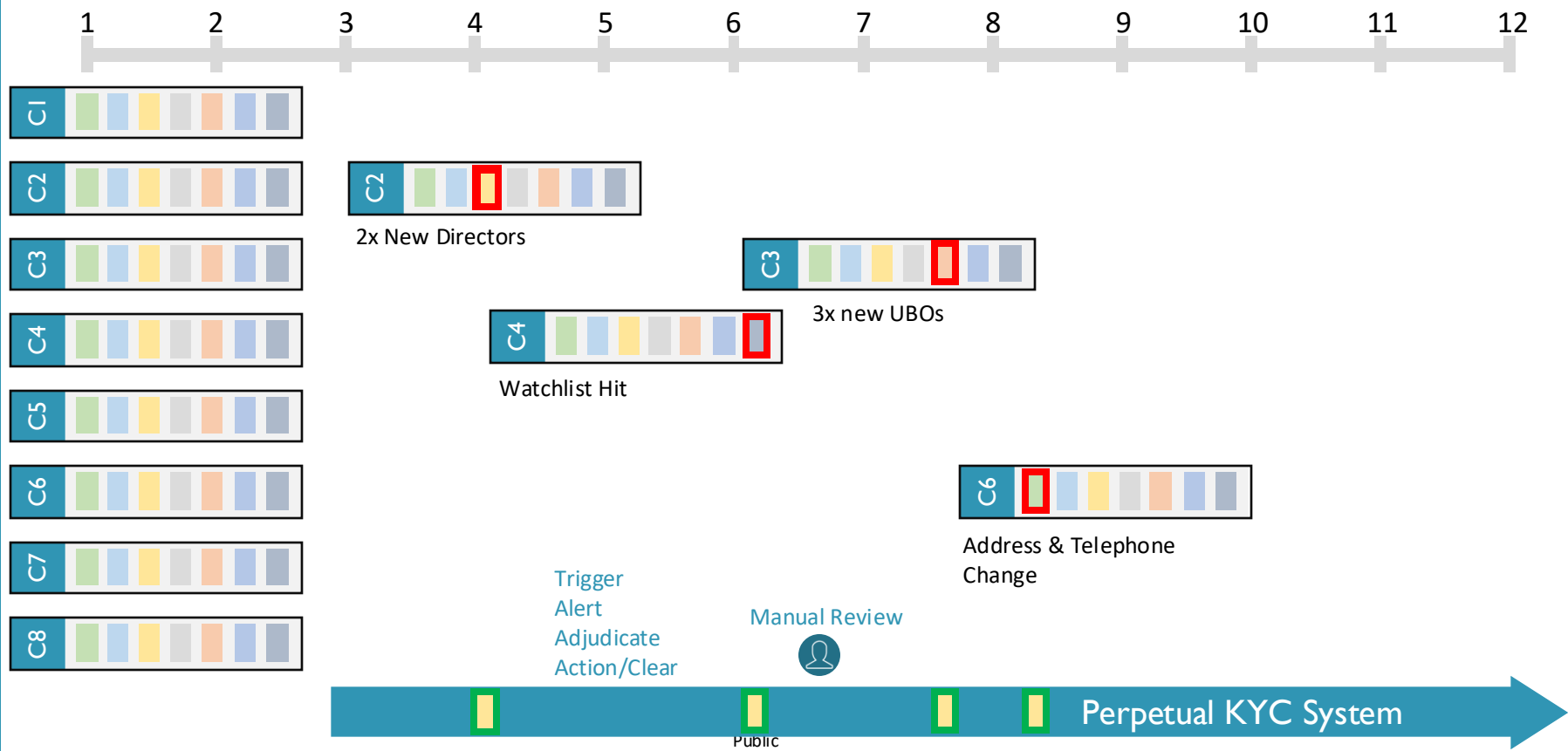


Periodic Review Example





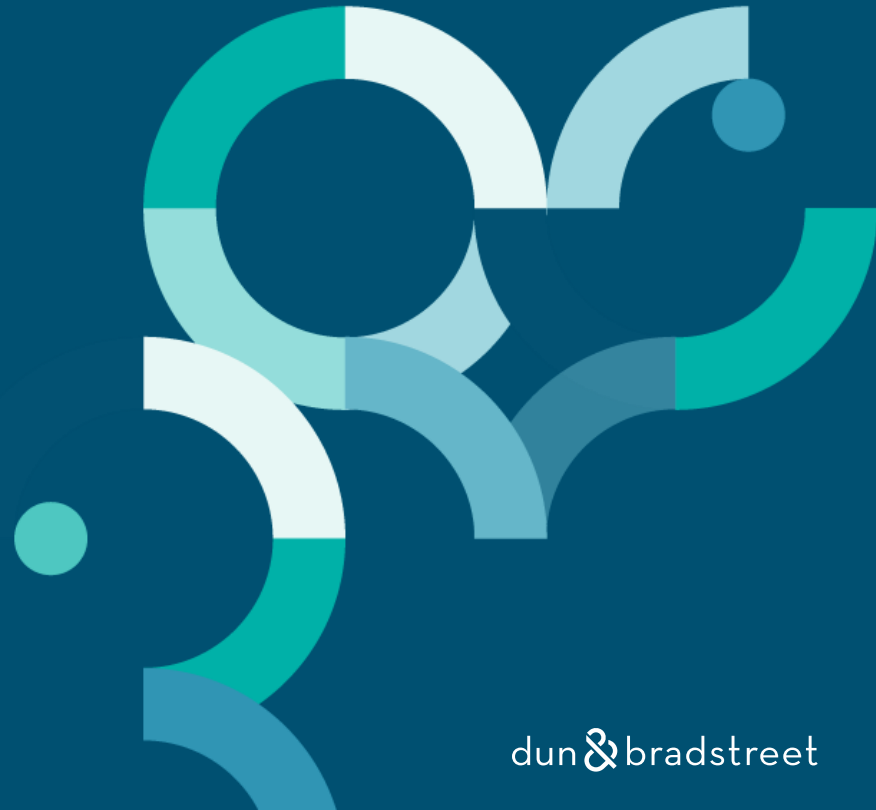
Perpetual KYC Example



Change Rates

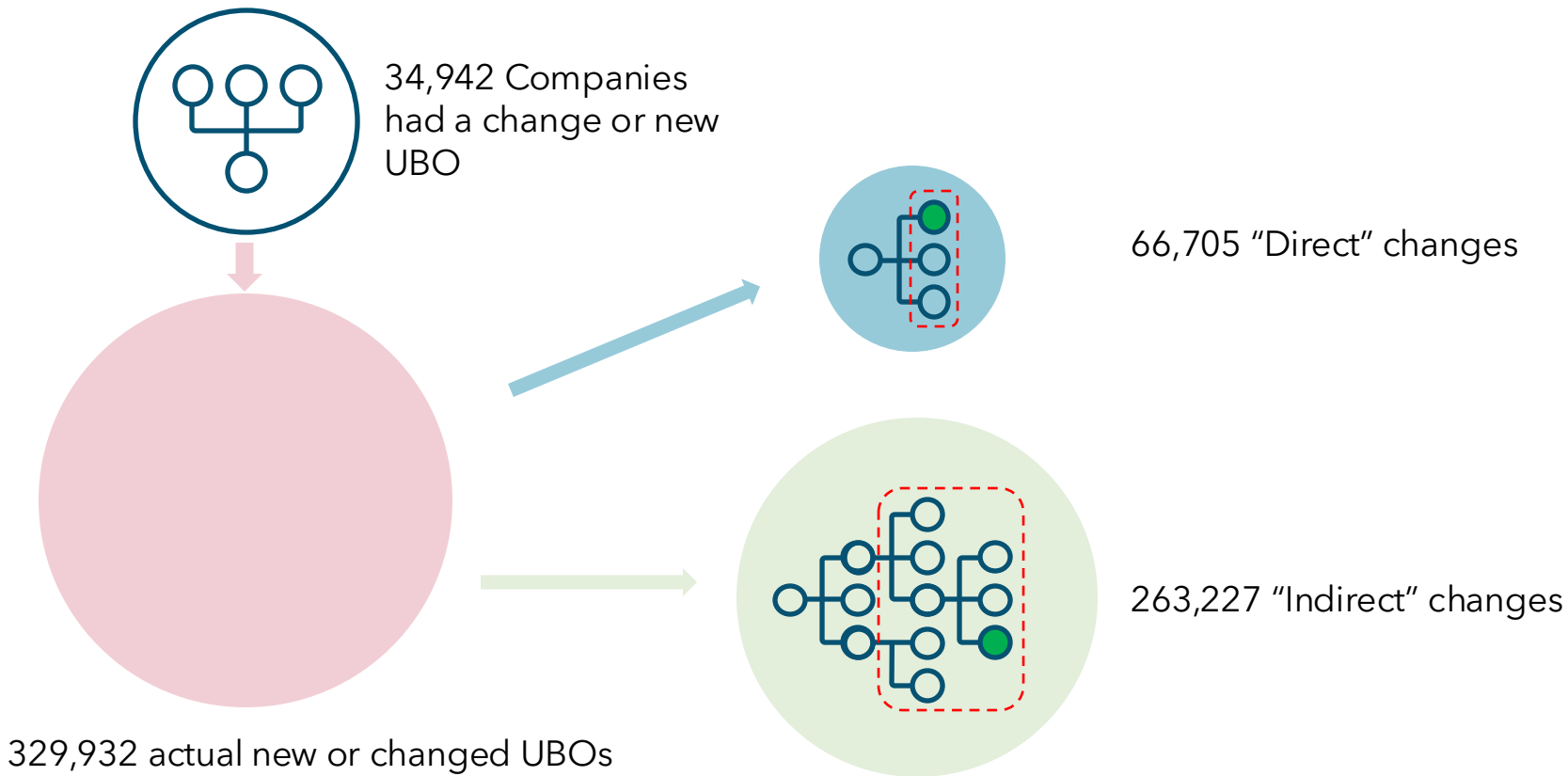
Key KYC attributes

Changes in UBOs





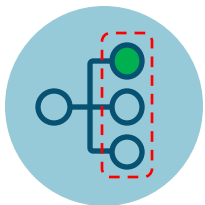
Beneficial Ownership Changes



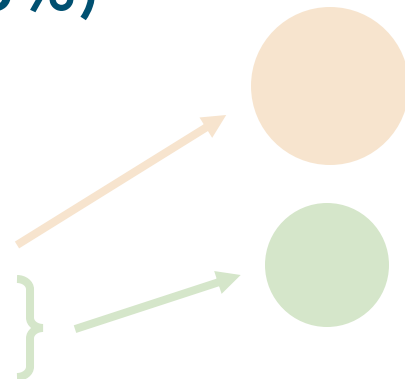


Beneficial Ownership Changes (25%)

66,705 "Direct" changes

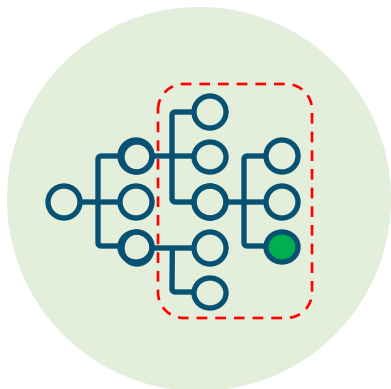


Breakdown of Changes	Percentage
0 - 25%	62%
25% - 50%	13%
50% to 75%	12%
75% to 100%	14%

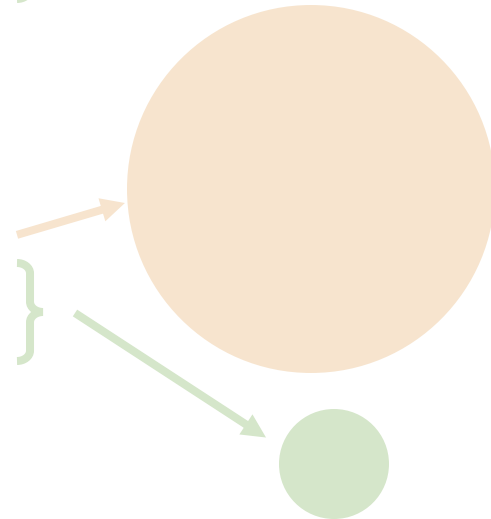


<25% = 62%

>25% = 38%



Breakdown of Changes	Percentage
0 - 25%	92%
25% - 50%	4%
50% to 75%	2%
75% to 100%	2%



<25% = 92%

>25% = 8%

263,227 "Indirect" changes



Advantages of Perpetual Approach



Faster reaction to risk

In a fast changing economy with new and emerging threats being able to respond quickly is essential.



Capturing the right information

PKYC advocates a data led approach that encompasses any piece of data that can change your view of risk. Combining internal data with external data ensure the most comprehensive view.



Resource efficiency

By responding only to changes as they happen, there is no need to expend energy and resources conducted a review to conclude nothing has changed

Q & A

Visit us in stand 28!

Our experts on UBO and how to use smart data and analytics, are more than happy to share their knowledge!

Feel free to contact our speakers directly, if you want to learn more!

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Let's
connect!