

Submission on discussion document: *Increasing the Transparency of the Beneficial Ownership of New Zealand Companies and Limited Partnerships*

Your name and organisation

Name	Roderick Francis David Aldridge
Organisation	Concerned private citizen

Please select if your submission contains confidential information:

I would like my submission (or specified parts of my submission) to be kept confidential, and attach my reasons for this for consideration by MBIE.

Responses to discussion document questions

1

Do you agree with the nature of the problem? Do you have any views on the size of the problem? Do you have any evidence to support these views?

Yes, I agree with the nature of the problem.

The size of the problem: I have no personal information. It seems to be very significant judging by the difference between what multinational companies declare for tax purposes and the actual tax they pay, and that is just the ones that are operating legitimately. Because there is no way to collect reliable inclusive information estimates are always grossly underestimates.

2

What do you think are the benefits from increased transparency of beneficial ownership information?

Ability to ensure the integrity of the system and everything that flows from that – ability to better protect against criminal activities, ensure fairness for legitimate company operations, so they can't be undercut by criminal operations, confidence for overseas companies to operate in New Zealand, etc. Protection for New Zealand's reputation which has already been tarnished by the revelations in the Panama papers. It is easy to lose a reputation but very much harder to restore it.

3

Do you have any information on your organisation's current compliance costs to supply or collect beneficial ownership information?

Do you think your compliance costs would increase, decrease or stay the same under the different options? Would the change be significant?

No information on any organisation. I expect the compliance cost for legitimate businesses would be minimal, and it would reduce the incentive to set up complex corporate entity structures to avoid obligations for operations.

4

What impact do you think the options would have on businesses deciding whether to register

	as a company or limited partnership?
	I would expect businesses intending to do legitimate business will judge the extra requirements to be worth it because of the greater integrity of the system, while criminal operations will be deterred.
5	Do you have any comments on our preliminary assessment of the options?
	I basically agree with your preliminary assessment of the effectiveness of the options.
6	What is your preferred option?
	Option 3 will be much the most effective option.
7	What are your views on who should be captured as a beneficial owner of a corporate entity?
	Every significant beneficial owner should be captured. Anything less allows gaming of the system by criminals and those wishing to dodge their obligations and undermines the integrity of the system.
8	What information do you think should be collected about beneficial owners?
	All the information necessary to identify them unambiguously. Anything less undermines the integrity of the system. I should be a requirement for the registration of new companies registered in New Zealand. Exiting companies should be given time to comply.
9	What information about beneficial owners do you think should not be publicly available, and in what circumstances?
	Anything necessary to identify them unambiguously - unless there is a need to be protected from significant personal threats or intimidation.
10	What are your thoughts on the obligations that should be placed on beneficial owners? Do you have any views on how these obligations should be enforced?
11	When do you think corporate entities should update the beneficial ownership information that they hold?
12	What are your views on the enforcement mechanisms that should be available to the Registrar?
13	Do you think there are any types of corporate entities that should be excluded from the options?
	No. Otherwise they will be used to game the system.
14	What are your thoughts on how frequently, and in what circumstances, the registers should be updated?

15	What are your views on what verification should be undertaken?
16	What are your views on having a unique identification number for beneficial owners?
	It should be compulsory to ensure correct identification of beneficial owners. It is necessary to avoid confusion and maintain the integrity of the system – to distinguish between those with the same or similar names, to avoid criminals using multiple identities, etc.
17	Do you have any views on whether any changes are needed to the requirements for company share registers?
18	Are there any other factors that MBIE should consider?
19	Do you have any thoughts on any additional measures that could be taken to combat the misuse of corporate entities?
20	Are there legitimate purposes for using a nominee director? What would the implications be if nominee directors were expressly prohibited?
	No. It only serves to hide the identities of the beneficial owners. It would make it much easier to enforce compliance.
21	Do you have any information about problems with companies or limited partnerships on the overseas registers?
22	Do you think there should be obligations on companies and limited partnerships on the overseas registers to provide information about their beneficial owners?
	Yes. Why should they be given privileges not available to others?
23	Do you have any information about problems related to TCSPs?
24	Are there any other areas of concern?

Other comments