

Consultation response:

Financial transparency – single EU access point for company information

Date: 15 January 2020

This submission is made on behalf of OpenCorporates, the largest open database of companies in the world, and an essential resource for business, governments and society at large. It is also a social enterprise with an innovative corporate structure to protect its public benefit mission – to create a global archive of publicly available records about companies for wider public benefit, including countering money laundering, corruption, fraud and organised crime.

OpenCorporates' data has been central to a number of groundbreaking investigations, including the ICIJ's Panama and Paradise Papers, Thomson Reuters and Transparency International's investigation into money laundering in the London property market, and Global Witness' investigations into Trump Ocean Club in Panama and into the Myanmar Jade industry.

As a social enterprise, OpenCorporates is part of both civil society and the business world, and understands the critical aspects of both. Among OpenCorporates' civil society partners are Transparency International, Global Witness, the Organised Crime and Corruption Reporting Project; among OpenCorporates' commercial clients are many blue-chip companies such as Mastercard, Capital One, PWC, and the US and UK governments, as well as leading FinTech companies such as Stripe, Transferwise and Exiger.

We also work closely with governments around the world, and intergovernmental organisations such as the World Bank. OpenCorporates is legally domiciled in the UK, but works globally to further the public benefit.

Consultation Response

OpenCorporates welcomes the opportunity to respond to the consultation. Furthermore, it is happy to contribute its considerable expertise in company data, and the needs of its over 500 clients and 5 million monthly users to the next stage of the proposal, including:

- the governance models for data collection and dissemination
- the scope of the information
- the specifications to be met to make information machine readable
- ways to remove barriers and improve access, use and reuse of the information

We strongly support the overall thrust of the proposal, and agree that, if properly and effectively implemented, would significantly improve access to company data, improve positive incentives to good corporate behaviour, for example in environmental and human rights areas, support innovation in corporate governance, funding, and governance, and improve competition and cross border activity throughout Europe.

To be well-implemented, however, there are four key aspects that need to be addressed:

- **Data first.** It is essential that data is collected natively as standardised structured data, and not as documents or images, and should be made available to end users too in the same structured data. The lack of a data first approach, together with access issues, has made the current Official Access Mechanisms largely irrelevant.
- **Full access.** Data must be available to end users both as bulk data and via APIs, for free. The experience of Companies House in the UK, for example, where this has happened, has led to two orders of magnitude increase in use of their data (i.e. over 100x)
- **No barriers to reuse.** There should be no barriers to reuse, such as restrictive licences or terms and conditions. As the impact assessment this in information that must already be disclosed to the public pursuant to EU law, or that the companies disclose voluntarily. Any such restrictions will undermine utility and innovation, create perverse incentives, restrict use by ordinary citizens, journalists and civil society groups.
- **Good identifiers.** All companies whose data is on the portal should use well-designed, non-proprietary and high quality identifiers. Given that most of the companies featured on the system will be participants in financial markets, we would recommend that the Global Legal Entity Identifier¹ (LEI) be used as the primary identifier for legal entities. This is already mandated by ESMA and other European regulators for such entities, and we do not believe it would add any burden or disincentive to SMEs voluntarily using the access point.

We would be happy to discuss each of these in further detail.

¹ <https://www.gleif.org/en/about-lei/introducing-the-legal-entity-identifier-lei>