



**UNIDROIT Foundation
BPER 5th Workshop
Project Group Meeting
28 September 2021**

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Summary Report for the Fifth Meeting of the Best Practices in the Field of Electronic Registry Design and Operation Project

1. The fifth meeting of the Project on Best Practices in the Field of Electronic Registry Design and Operation (BPER) was held on 28 September 2021 at the Cavanaugh Centre, Stephen Hawking Building, Gonville & Caius College, University of Cambridge and via Zoom. The BPER project is run under the auspices of the Cape Town Convention Academic Project, which is a partnership between UNIDROIT and the University of Cambridge, with the Aviation Working Group as its founding sponsor. The BPER Project is supported by the UNIDROIT Foundation and Aviareto.

2. The meeting was opened with a welcome address by *Ms Louise Gullifer*. *Mr Jeffrey Wool* chaired the Workshop. The agenda for the meeting is at Annex 1 of this Report.

3. The fifth meeting shifted the Project's focus to best practices for electronic companies' registries. The Workshop sought to define a companies' registry, examine issues related to its scope of work, examine the applicability of the Critical Performance Factors (CPFs) already identified by the Project in its earlier work, as well as explore additional areas relating to companies' registries. A total of 30 companies' registry experts, lawyers, and academics, from government agencies, leading international organisations, universities, and practitioners involved with electronic companies attended the workshop. A full list of participants is available in Annex 2 of this Report.

Focus of the Project

4. Following the welcome address, *Ms Louise Gullifer* explained the purpose of the 5th Workshop as an opportunity to transition the BPER Project into its next phase. She reflected on the recent successful launch of the BPER Project's Guide on Best Practices for Electronic Collateral Registries which had been developed over the course of several years. This had showed that the BPER Project had developed a structure and a framework to identify best practices which could be used for many different types of registries. She noted that the framework entailed identifying critical performance factors, risks involved in operating a registry, and then examining applicable standards in that regard. The 5th Workshop would build upon this framework and apply it to companies' registries. In this regard, she noted that it was important to define and understand what a companies' registry was, and the purposes it served in different parts of the world. Furthermore, it was noted that the purpose of a companies' registry was evolving as technologies advanced, and so this would need to be taken into account by the Project.

5. Some preliminary issues were highlighted for discussion: Firstly, the scope of work of companies registries, in terms of the registrations they collect, whom they act for and their purposes in general. Second, how company registers achieved their purpose, and the methodologies used. It was emphasised that the guide to be developed in this regard needed

to be future-proof and adaptive to technologies that were being developed in this area. It was noted that a survey of company registries would be carried out and feedback would be sought from the participants on these matters accordingly.

6. *Mr Jeffrey Wool* noted that the present Workshop would examine the CPFs that had been applied to collateral registries and subsequently look at them in the context of companies' registries. It would also critically analyse the concept and purpose of a companies' registry and question its boundaries, who can access it and how particular registrations were different from one another. The key would be to take the functions, purposes, and consequences and decide how they map on to CPFs and whether the CPFs required any modifications. It was noted that the Covid-19 pandemic had greatly augmented the electronic nature of many registries, including increasing the use of electronic notarisation. Notarisation was a large part of many company registry systems and needed to be examined as part of the Project. Additionally, the Project would also need to consider differences between public and private registries.

7. Among the areas to explore included the different functions a companies' registry served, different types of registration information and documentation collected for those functions, who submitted the documents and who accessed them and for what purposes. One core purpose of a registration was the ability to do business and to be in good standing or regulatory status domestically. Technical information available on a registry, including the names of the officers and directors of a company, was also with consequences. Another point for consideration was whether there were any government or private party interests that could be advanced through companies' registries. Information relating to anti-money laundering and taxation was also important to consider and could raise interoperability questions.

8. *A participant* noted that it could be useful to highlight the biggest differences between companies' registries and collateral registries, adding that this could highlight any differences in CPFs or introduce additional CPFs for companies' registries that had not been previously considered.

9. *A participant* queried whether the Project would look at all existing registry models and develop best practices for all of them, and how the CPFs impacted different models of registry design. *Another participant* answered that it was too early to ascertain this. She described the UK model, which was that Companies House registered company charges, but kept them in a separate register. As such, if both collateral and companies' registers were part of the same registry system, then there would be two sets of CPFs. In this regard, *several participants* noted the importance of interoperability and interconnectivity of registries within a country.

10. *A participant* noted that authorities such as Companies House often maintained multiple registers under their custodianship, including a collateral registry, which would be its register of mortgages, and a business registry which would be its companies register. It was noted that Business Register might be a better term to use for the Project as opposed to a Companies' Register.

11. *A participant* stated that it was difficult to harmonise the definition of a companies' registry, as it was linked to the domestic law of each country. One function relevant to many registries in Europe was providing information about insolvency procedures i.e., data concerning restructuring, statistics, and prevention of bankruptcy.

12. *A participant* noted that companies' registries and secured transaction registries should be integrated. It was noted that interoperability was key, however, the purpose of a companies' registry was that it was either a means of publishing decisions that a government had taken as to who was allowed to operate as a company in a jurisdiction, or a compliance tool, whereas a secured transactions registry was underpinned by state power but there was, in fact, no role of the state in determining information was contained inside the registry,

hence making it a more facilitative regulatory approach. It also had to be considered what was represented on a registry to determine whether it was integrated in a single platform or not.

13. *A participant* queried whether there were any issues when a national register dealt with overseas companies or activities of multinationals. *Another participant* answered that this created several challenges. Companies House in the UK was going presently undergoing a Corporate Transparency Reform program because foreign registered directors were not vetted by their local corporate service providers. A major problem for every register was that they could not vet the identities of the individuals being registered.

14. *A participant* noted the importance of recognising the different legal effects of information submitted to a companies' registry and a collateral registry. When examining the interoperability of data, the purpose of submission of certain information must be kept in mind.

Introduction to Companies Registries and Future Outlook *Julian Lamb*

15. *Mr Julian Lamb* explained the role of companies' registries in a global context. He noted that while most companies' registries were old institutions, many developments had been taking place recently, particularly in the area of digitalisation. Most innovation was largely driven by external factors, such as the 2008 financial crash, which led to the Financial Stability Board giving greater scrutiny to transparency and identification of individuals, thereby developing a legal identifier, which was the forerunner to their transparency agenda. The transparency agenda was also pushed by those organisations that were in the domain of money laundering, such as FATF. It was noted that the role of a companies' registry was also evolving. While, registrars were not traditionally seen as regulators, this had slowly been changing.

16. There were varying views across jurisdictions as to the quality of data. In some jurisdictions, data was only as good as what was filed on the registers whereas in other jurisdictions data was considered correct just by virtue of being on the register. Additionally, an important driver for most registries was Anti-Money Laundering and Counter Financing of Terrorism (AML and CFT) and the risk to the financial systems of financial crime. Moreover, registries were traditionally recordkeepers holding records collected under the companies' law. Now, recordkeeping had largely become automated and registry staff functioned as gatekeepers. Gatekeeping entailed not allowing the misuse of a corporate vehicle and not affecting the reputation of an authority by preventing illicit activities such as money laundering. In addition, jurisdictions were now turning to companies' registries to obtain statistical information. While most States were inclined for companies' registries to have more core functions, increasingly, the offices of registries and functions of registries were becoming more specialist.

17. It was noted that there was a distinction between administrative jurisdictions and judicial ones. In Europe, 60% of the registries were at Ministries of Justices. Across the globe, it was a 50-50 split between the Anglo-Saxon model and the notary model. Registers also now served as data centres and their data was their most valuable asset which emphasised the concept of the notary system or the agent system. There were many examples of models, particularly in Europe, where a company was incorporated by going to a notary. In Jersey and other jurisdictions, a majority of the companies were formed through a regulated agent or a formation agent. Agents had to adhere to AML and other legislation and non-compliance led to severe consequences. There were several types of registry models across jurisdictions with some using centralised registries and others not. A large number of registries around the world tended to be decentralised, which entailed smaller registries around the jurisdiction which now increasingly came together to a central point. This was the case in large economies such as Germany and France. In the future, global interoperability was going to be especially important. In the Asia Pacific, jurisdictions had

joined to form regional platforms and there were similar examples in Canada and Europe as well. There was also an increasing push towards the use of digital identifiers and of global numbers in the future.

18. It was added that there were a number of registry forums around the world but none of them used the word 'company' in their name. This should be taken into account whilst considering the Project scope.

19. From a Jersey perspective, Jersey was one of those jurisdictions that was coming towards the end of the process of being digitalised. Recently, a number of systems around the world witnessed accelerated digitalisation as a result of the Covid-19 pandemic. Jersey, in particular, had been able to progress modern legislation in order to enable digitalisation. A digital modern world brought more international relationships for registries, therefore interoperability was of key importance. Increasingly, international bodies, such as standard setters in money laundering and law enforcement agencies were looking at companies' registries for different purposes which was something to be mindful of when determining best practices.

20. It was noted that the Jersey registry benchmarked itself against international standards and was part of a number of registry forums. The registry had its own customer base and was increasingly client driven. The Jersey registry was affected by a number of external factors as well. Jersey was one of the jurisdictions which held a large central register of ultimate beneficial owners. It provided information to law enforcement agencies and financial intelligence units. Most registries held both public and private information, even public beneficial ownership registers held private information. On occasions, there could be pressure from international assessors to make that information, public or private, available to the obliged person. The obliged persons were the banks and large financial organisations. It was noted that the standard setters increasingly changed their standards which affected registries. The requirements of FATF and their recommendations directly affected a lot of registries, and were about legal arrangements and legal persons. The newest type of assessment that FATF was working on was for VASPs (Virtual assets Service Providers). VASPs would affect registries which dealt in the digital assets domain and related to digital assets and interoperability. Registries would be subject to even more regular international assessments as they cross over with AML, CFT assessments and more standard setters. Some of the key initiatives that the Jersey Registry would work towards between 2021 to 2023 were interoperability, registry compliance, international standards, innovation and enhanced customer engagement.

21. *A participant* queried whether best practices of an electronic registry were equal to those of a non-electronic registry. The focus of the Project had been on electronic registries. He further queried about the connection between legal rules and best practices. One example for this connection was e-delivery of documents which was determined by the legal standard of the country. It was noted that best practices could not be separated from regulation.

22. *A participant* mentioned that the European Business Registers Association (EBRA) would be holding a workshop in November for its beneficial owners' initiative around Europe. The discussion would be based around data protection and privacy which was an important consideration, especially in European jurisdictions.

23. *A participant* commented that whether a registry was electronic, or manual was not a question for the register to decide, as this was mostly mandated by legislation. Most registries used prescribed forms which could be sent to the register to affect the registration and update it. Many registries also accepted both paper and electronic versions of these forms. It was noted that when the Aircraft Registry was introduced, electronic filing was mandated through the Cape Town Convention. Similarly, other domestic jurisdictions also did the same. Many jurisdictions had avoided these mandates as they still preferred retaining the ability for users to send paper letters regarding information pertaining to the register. It was noted that best practices should be equally suitable whether the register was electronic

or not because a registrar should not be doing anything outside the functions for which the registrar was established.

24. *A participant* stated that the Jersey Registry was also involved in pushing the industry in the jurisdiction towards reform. Most jurisdictions needed a body which pushed the jurisdiction to move and not conform to the existing status quo. This was usually done through legislation. The new legislation in Jersey emphasised that registries had to be digital. The participant expressed the view that while best practices should deal with paper, the emphasis should be on moving away from paper.

25. *A participant* noted that the biggest paradigm shift against business registers recently had been beneficial ownership registers. There was a push for transparency as registry information was not giving economies a true picture of what was happening with legal entities. This had been particularly problematic in the UK which was criticised by Tax Justice Network and Transparency International for not conducting any checks on people registered within their register. As such, presently extensive reform was underway. In the future, the UK Government would be pre-registering directors and only listing information on the register that they could prove to be correct. This reform would bring them closer to the situation in Germany. The only jurisdiction in Europe where the company registry opened itself to liability was Germany. In Germany, the register came from the notarial system, which meant if someone relied on the information in the register which proved to be incorrect then that individual or corporate entity could sue the German government.

26. *A participant* added that there was an analogous situation in Italy, Spain and Portugal. It was question of the reliability of the information and the effects conferred on registration. Information on a registry was a strong presumption of the quality of the information. As such, controls were double-checked by the registrar itself whether they came from a notary or outside the notary system. If information was entered on a registry, it was accurate according to the law and the liability of the register and the state was guaranteed.

Scope of the Project

27. *A participant*, in response to the first question about whether best practices in e-registries were the same as paper registries, noted that it depended on the purpose and principles of the registry. The two were becoming increasingly inseparable. It was noted that operators and regulators of registries were challenged with how those purposes and principles evolved in the context of technology.

28. *A participant* noted that the use of technology not only replicated what was on paper, but also transformed the function of a registry and offered new possibilities, and it reduced or increased certain risks. The participant added that there could be three different layers of best practices: Best practices that were common to any registry, best practices that were registry specific and which depended on the main role of that specific registry and best practices for electronic registries in particular. Electronic registers were changing their functional profiles and adding new functions and best practices were required for their new functional profile.

29. *A participant* responded to a concern raised that not all countries were prepared for fully electronic registries. It was noted that electronic registries were part of advice given to developing countries by organisations such as the World Bank. As such, if UNIDROIT was to develop standards for registries, these had to be based on modern practices, and could not delve into the regulatory side, which may be plagued by other issues such as corruption. It was recognised that while the Project could give consideration to best practices for a registry, the Project could have no bearing on the underlying legislations that mandated its creation.

30. *A participant* noted his disagreement with a point raised that if registries were required to provide equity of access to accept manual processes, then they must continue doing that. For example, the law on security interests in Australia required registries to

provide access to formats that were not electronic. However, this had been almost eliminated in practice by using a best practice statement on the way that people should interact with the registry. At the same time, the option to use a paper format continued to be available, but almost never used. This could be done regardless of legislation if it was termed as the best method. The participant mentioned organisations such as the World Bank only recommended electronic registries and other platforms as the basis of their reform projects. Most often, users themselves pushed the move to electronic systems noting their ease of use. One approach to consider could be to provide the basis of registry best practices and then advance them to adapt for electronic interactions.

31. *A participant* queried whether moving the discussion to registries in general, and then adding on the part of electronic registries, would change the nature of the Project.

32. *A participant* noted that since paper registries had existed for hundreds of years, there was an assumption that many best practices had already been established. Additionally, best practices were either set locally or driven globally by an economic crisis. If the focus was on electronic registries, a best practice document would encourage the public to move to electronic registries which could also be done at low costs. This was also an area where the expertise of the participants could add value for the public. He added that the seventeen CPFs identified in the collateral registries guide should also be viewed from the lens of business registries.

33. *A participant* noted that there were policy issues surrounding many considerations of the operation of a companies' registry, for example, accuracy of data. He mentioned that accuracy of data should be looked at from an electronic registry point of view.

34. *A participant* stated that a best practice for accuracy of data could be clearly stating in the data that it had been collected under the principles for quality control implemented by the particular system. The directive concerning business registries in Europe also stated that information or data must be labelled as to its quality in order to inform the user.

35. *A participant* mentioned that in her country, it was not allowed to move to a 100% electronic system and provisions for paper still had to be provided. A process was being developed where paper forms were mailed and optical character recognition was used to collect the data. Information was asked to know customers such as an ID to verify whether they were who they claimed to be, and patterns for fraud were continuously looked for. A report given by the government accountability office also looked at how fraud could be better detected and prevented.

36. *A participant* noted that many organisations were already trying to digitise their existing paper-based systems so the focus should be on electronic registries. The problem of paper-based systems and access to them could be solved by having interfaces allow paper-based input through optical character recognition and so on.

37. *A participant* queried whether the scope registries considered be global or domestic. It was noted that the Project would aim to develop best practices applicable at all levels.

38. *A participant* mentioned that the issue of legal accuracy was controversial while preparing the business registry guide for UNCITRAL. The participant mentioned that an electronic registry could result in a change of functions which might require a different way of design and organisation of the registry.

39. *A participant* noted that there were many international assessors and requirements on registries therefore the best practice for electronic registers could not possibly duplicate everything that had been developed. When it came to the quality of data, every jurisdiction in the world adhered to FATF and a registry was required to have basic information and beneficial ownership information. Basic information being the name, address and number etc. Each registry was also required to have FATF compliance information. The standard

setters had put in place eleven new recommendations and it was noted that this was where the focus should be on with regard to best practices.

40. *A participant* added that one concern for a registry was accessibility, in terms of who had access to what types of data.

41. *A participant* noted that the purpose of the Project would not be to redraft or formulate general best practices for registries as these already existed. The Project would identify best practices for electronic registries, as originally described. In the shift from paper-based to electronic, which in itself was not important to the Project, issues arose such as transparency, accuracy, accessibility, security, etc., which needed to be considered. It was noted that electronic registries provided the ability to perform new functions, such as interoperability. Best practices applicable to these new functions should also be examined in order to make sure they did not impact the integrity of the registers.

42. *It was reflected that* a useful way to proceed was by assuming best practices and purposes based on international standards and then identifying and applying critical performance factors related to that aspect.

43. It was added that international standards could be translated in a granular way into electronic registries without intervening with responsibilities of regulators such as FATF.

44. *It was concluded that the discussion would be limited to electronic registries to the extent possible.*

Broader context of a companies' registry

45. It was summarised that the best structural way to advance the Project was to use a set of international standards, recommendations, best practices and/or legislative requirements relating to registries and summarising and expressing them in a generic way. Subsequently, the CPF's would be set out that are related to these requirements. The substance of the requirements to run a registry would not be delved into but existing standards would be summarised and applied. The focus would remain on electronic based systems.

46. *A participant* introduced the business registry system in Arizona. It was noted that this system was used by the public to create, maintain, or to close down a corporation or limited liability company. Every document that was filed and received through this online system was considered a public record which meant that it was to be made available to the public at no charge. The registrar was a ministerial filing agency, which meant that there was no regulatory or investigatory power. The registrar did not verify the identities of the filers, nor did it check if the person filing had authority to file. Signatures were not compared to IDs. As long as the filing met the statutory requirements, the registry was obligated to accept it. There were statutes that governed bad behaviour or crimes. However, the registry could not enforce these. The attorney general office was the agency that enforced any infraction in terms of businesses. Recently, to augment security, the concept of authorised users had been introduced which only applied to online filings. It was noted that the registry also still accepted paper filings. Each business that was created had an owner who was the person that actually formed the entity and could then authorise other people to file on behalf of that entity. If the owner had not authorised someone to file on that behalf of that entity, they would not be able to file. It was intended to also introduce such additional security measures on the paper filing system. Additionally, there was no legal liability on the registrar when there was an infraction. The public was encouraged to consult either the police or the attorney general.

47. *A participant* from UNCITRAL noted that the UNCITRAL Legislative Guide on Key Principles of a Business Registry recommend that electronic registries should be the final goal for any system. The guide was mindful that there were certain countries that still did

not have the necessary infrastructure which was why it also looked at paper based and mixed registries. The guide, in terms of practical recommendations, suggested that it was important to develop electronic one stop shops for users. A one stop shop was under the oversight of one single administrative entity, which functioned as a coordinator. Another important element in the guide was the use of unique identifiers that worked better on an electronic format. The guide also briefly acknowledged the importance of interoperability of different registry systems but noted that this would be an item worth considering in the future. Finally, another aspect that the guide did not consider in detail was the use of a unique global identifier, for which there were several proposals, but not enough best practices and agreement.

48. *A participant* noted that the Project's work was wholly complimentary to what UNCITRAL had done. Much of the work done by UNCITRAL provided a frame around the content of the Project. It was queried whether the Project should address business registries, or companies' registries.

49. *A participant* noted that the term business registers was more inclusive as it covered all the different types of entities registrable. The term 'company' was limited to a common law approach whereby jurisdictions structured such registries through a companies' acts.

50. *A participant* noted that there may be some distinction. For a corporate entity, for example, when registration occurred, at least in corporate registries, the status of the corporate person was conferred by registration. And so it was that active registration that brought the entity to life. However, there were differences across various jurisdictions. The sole proprietorship that may operate under a business name operated under an entirely different legal regime. There were different rules around the information associated with that entity such as how it was captured, how it was presented, and what was actually available. To the extent that the activities were common across all those types of business undertakings, the CPFs would be common, but there would be differences for sure.

51. *A participant* noted that it may vary from State to State as to what is required in relation to sole entrepreneurs. Whereas all States would have some kind of register for corporate entities, to register the directors and shareholders. *Another participant* mentioned that all those different physical forms of registers, whether a business name register, a company register, limited liability, partnership register or beneficial ownership register, generally existed under the banner of business registers.

52. *Several participants* noted that the term Business Register was more inclusive and catered to the various different types of entities which could be registered across jurisdictions. Moreover, while the main purpose of registering a company generally was to give it a separate legal personality and limit liability for the individual(s) involved, this should not be taken into consideration, as many jurisdictions had different types of rules for different types of entities.

53. *One participant* emphasised that while the Project would look at the purposes of a registry, the basic content and the performance factors, it would not delve into the legal effects of registration.

54. *It was* emphasised that the current Project would be different from the one on collateral registries as the previous Project was fairly well defined. Company registries were much broader. It was noted that the focus of the Project should be on encouraging electronic registries without being too restrictive, which was also the position of the UNCITRAL Legislative Guide on Key Principles of a Business Registry.

55. *A participant* noted the importance of the involvement of enough practitioners, particularly from the public sector, in the project, in order to ensure the adoption of the standards developed.

56. *It was concluded that the term business registry would be used moving forward and it would be construed in a broad manner.*

Background of Project and application of CPFs

57. *Mr. Hamza Hameed (UNIDROIT Secretariat) briefly explained the background of the BPER Project and highlighted the work that had been done thus far, particularly with regard to the Guide on Best Practices for Collateral Registries. This Guide featured 17 critical performance factors and examined their application to collateral registries. It also outlined some technical standards that registrars could consider when applying one of these critical performance factors to their operations. The guide also contained several examples from the International Registry for Aircraft Objects. Following this, Mr Hameed summarised the 17 CPFs for the participant's reference.*

58. *One participant noted that one of the purposes of a business registry could be to perfect security interests. As such, it could be similar to a collateral registry. As such, all CPFs presently listed should not be eliminated in considering business registries. All the CPFs were largely technical and could apply equally, or more, to business registries. It was noted that keeping aside the collateral registration function of a business registry, the only CPF that may apply less was Timeliness. Timeliness was important in collateral registries because perfection of interests needed to be instantaneous. It was further added that some factors such as Authentication and Interoperability were more important for business registries. It was queried whether there were any factors that did not apply at all to business registries and whether there were some factors that were less useful for a companies' registry.*

59. *A participant noted that electronic business registries were an example of an electronic system, and many of the CPFs, including integrity, reliability, retention, trustworthiness, and validation, were equally applicable to all electronic registries. It was agreed that Timeliness may be less important in a business registry.*

60. *A participant noted that best practices being developed by the Project largely related to matters to consider in the digital transformation of registries. He added that registers should only have a single purpose. One of the problems that registries faced was that every legislation which was produced by governments did not reflect the interoperability of available data sets at the national level. This should be considered in detail. One best practice could be if registers were required to pull the naming conventions from other data sources. A register also had to be immutable, and it had to be a single source of digital proof.*

61. *Several participants noted the importance of limiting the amount of times users had to enter the same information across different registries. This was another area where interoperability was important.*

62. *Several participants noted that one distinction between business registers and collateral registers related to post-registration processes, including items such documents/certificates of incorporation.*

63. *Several participants deliberated the use of free text fields when collecting registrations. It was generally noted that these posed a high amount of risk, and that efforts should be made to standardise data collection to the extent possible, also through the use of lists. This prevented inaccuracies due to human error. It was noted that more registries would have the types of data they collect tied to legislations and regulations that have created them. Data sources could also be specified through legislation, which fed into the interoperability aspect, such as linking identification data to another registry of public IDs.*

64. *Several participants* deliberated the benefits of developing a taxonomy of registry related terms as a separate UNIDROIT project. It was noted that this was not the objective of the BPER initiative.

65. *One participant* queried whether the Legal Authority and Compliance CPF should be removed because it connected to what was strictly required by the legislation.

66. It was discussed whether the Project should give consideration to already existing standards and best practices for business registers. It was agreed that such should be given consideration, but at the same time, the Project should aim to produce a set of best practices practitioners would aspire to achieve, albeit some might not be entirely achievable taking into consideration domestic circumstances.

67. *A participant* noted that one difference between a business registry and a collateral registry was that there was no discretion on the part of the registrar in a collateral registry. There was discretion applied in certain cases in a business registry. Business names for example. If a name was offensive in a certain jurisdiction, there was a level of human assessment required. This discretionary element was not standardised and varied jurisdiction to jurisdiction. *Another participant* agreed with the relevance of naming conventions to business registers. Furthermore, another area of relevance was a notification system, which was more important in the case of a business registry, where users were often looking for changes or updates to particular companies.

68. *One participant* noted that business registries also needed to be highly adaptable to regulatory changes. For example, increasingly beneficial ownership registers had been introduced and business registers had needed to provide for them.

69. *One participant* remarked that access to services in return for registration to a business register was something that took place in many jurisdictions, whereby if you were a registered company on a business register, you could access different government services, such as paying tax through that registration, and accessing lines of credit, perhaps. This was different from collateral registries and might require additional guidance.

70. *A participant* noted the importance of transparency for business registers and that it touched on a couple of other existing CPFs like confidentiality, user centric design and interoperability. It needed to be clear for the user how their data was treated once submitted to the register, both from a personal perspective and from a company perspective. This would include noting with what other agencies a user's information and company information would be shared. As such, consideration should be given to this when considering CPFs for business registers.

71. *A participant* noted that User Centered Design was likely more important for a business register than a collateral register, as users of a collateral registry were generally more sophisticated than users of a business registry. Moreover, there were also additional processes related to document upload on a business register which needed to be given greater attention.

72. *Several participants* noted the added importance of cybersecurity to a business register, especially considering the number of documents being uploaded. It was queried whether cybersecurity should be an individual CPF for business registers, rather than being treated the way it was in the collateral registries guide.

73. *It was noted* that cybersecurity was part of Integrity and Trustworthiness, but might be worth considering separately

74. *Several participants* agreed that the legal effects of a registration should not be dealt with in the best practices guide. However, the legal effects that resulted from registration

were largely the reason the registry existed. As such, they needed to be understood in order to develop best practices.

75. *Some participants* noted that re-registrations and renewals were an important part of the operation of a business register, which were not as common in collateral registers. This might need additional consideration in terms of best practices.

76. *One participant* suggested that some CPFs could be subdivided to cater for the more extensive reliance business registers put on them. For example, Authentication was the process of vetting an individual, establishing an identity that linked to that individual, giving them a set of credentials, and then when they come to the system, verifying that the person was who they say they were. A process of establishing and linking that identity, versus ensuring it's the same person that comes back every time were potentially two different matters, and could be two separate CPFs. In terms of confidentiality, privacy could be something that might need to be separated.

77. *Several participants* noted that Validation in the collateral registries guide did not entail checking the accuracy of data. This would need to be explored further in the context of business registers, and in particular the interaction with notaries. In this regard, accuracy levels could be given scales (such as high, medium, or low), as guaranteeing factual accuracy of data was not in the interest of a registrar. An analogy was drawn to different levels of electronic signatures in this regard.

78. *Several participants* noted that operating a business registry was more resource intensive than running a collateral registry, especially in terms of personnel employed. As such, best practices related to personnel needed to be given additional consideration.

79. With regard to data accuracy, *a participant (Luis)* noted that this depended upon the type of legislative system a registry derived its mandate from. However, it would be better to check for completeness of data, rather than accuracy. An example was company accounts, which could be automatically screen for certain factual inaccuracies, rather than verifying them individually. However, in some jurisdictions, accounts needed to be approved before uploading to a register. Other participants discussed the differences in approach between ex ante and ex post verification of data.

80. It was summarised that the Project would outline existing standards, ex ante or ex post models under existing laws, established aspirational practices by registry experts and provide best practices to meet standards electronically. It would be made sure that existing standards include factual accuracy and checks. Legal consequences of registrations would not be addressed. It was additionally summarised that none of the CPFs should be removed. It was stated that the application of the CPFs should be expanded. For example, validation could be examined in the context of data accuracy.

Discussion of Survey

81. *Noting that the objective of the Project had been determined*, it was queried whether the factual basis for starting the work needed to be further streamlined.

82. It was noted that it was important to ascertain the types of work undertaken by business registers, and the types of problems they face. Additionally, consideration needed to be given to the types of opportunities they foresaw for their operations. In this regard, the Project might consider conducting a survey of business registry practitioners to obtain additional insights. It was noted that the Project Group would develop a survey in this regard and share with the participants for feedback.

83. *One participant* mentioned international registry associations such as IACA and CRF conducted a survey annually and this might be worth considering for the Project's purposes. This survey was mostly related to data, and questions such as how many new registrations were being received, how many business statuses revoked, registry-specific facts such as

whether the registry was run by government, whether it was funded by government or by fees, etc.

84. *It was noted that the Project's survey would be different from this, such that it would be designed to gather information which can used to further develop the best practices guide. It was noted that the survey would be easy to fill in general.*

85. *Mr Wool and Ms Gullifer thanks all the participants and closed the meeting*

ANNEX 1 – Agenda



An initiative under the auspices of the Town Convention Academic Project

Project Leads:



Founding Sponsor:



Supported by:



aviareto

9 September 2021

5th Workshop on Best Practices in the Field of Electronic Registry Design and Operation

Draft Agenda

Tuesday, 28 September 2021

(all times are in British Summer Time)

*Cavonius Centre, Gonville & Caius College, West Road site, Cambridge CB3 9DS
and Via Zoom*

10:00 – 10:30	Delegate registration and tea/coffee Opportunity for virtual participants to check connection
10:30 – 10:45	Opening Remarks CTCAP Directors
10:45 – 11:30	Project Background, Introduction and Summary of CPFs <i>UNIDROIT Secretariat</i>
11:30 – 11:45	Coffee Break
11:45 – 13:30	Introduction to Companies Registries and Future Outlook <i>Julian Lamb - Jersey Financial Services Commission</i>
13:30 – 14:30	Lunch
14:30 – 15:45	Perspectives on Scope and Context of E-Company Registries from International and Registries Organisations
15:45 – 16:00	Coffee Break
16:00 – 17:30	Application of CPFs to Company Registries <i>UNIDROIT Secretariat</i>
17:30 – 17:45	Discussion on Survey for Company Registries
17:45 – 18:00	Closing Remarks



ANNEX 2**List of registered participants**

1. Amna Shabbir (UNIDROIT)
2. Anna Veneziano (UNIDROIT)
3. Claudia Nyon (UNIDROIT)
4. Denis Finnegan (Aviareto)
5. Elaine MacEachern (International Finance Corporation (IFC))
6. Fergal Hourigan (Piercom Ltd)
7. Gavin McCosker (Australian Financial Security Authority)
8. Hamza Hameed (UNIDROIT)
9. Hayley Clarke (Service Nova Scotia and Internal Services)
10. IfeanyiChukwu Egbuniwe (Export-Import Bank of the United States)
11. Ignacio Tirado (UNIDROIT)
12. Isatou Sarr (MRCG@LSHTGM)
13. Jeffrey Wool (University of Oxford)
14. John Kimbler (Paradigm Applications, LLC)
15. John Murray (Information Services Corporation)
16. Julian Lamb (Jersey Financial Services Commission)
17. Kathy Hilman-Weir (Information Services Corporation)
18. Laurel Garven (Information Services Corporation)
19. Leong Weng Tat (ACRA)
20. Louise Gullifer (University of Cambridge)
21. Luis Fernandez (REGISTRADORES DE ESPAÑA)
22. Margaret Maguire (Fexco)
23. Maria Chiara Malaguti (UNIDROIT)
24. Monica Canafoglia (UNCITRAL)
25. Nina Barker (Federal Aviation Corporation)
26. Rob Cowan (Aviareto Limited – International Registry)
27. Roy Goode (University of Oxford)
28. Sean McElroy (SITA)
29. Tanya Gibson (Arizona Corporation Commission- Corporations Division)
30. Teresa Rodriguez de Las Heras Ballell (UNIVERSIDAD CARLOS III DE MADRID)