

MAINSTREAMING BENEFICIAL OWNERSHIP DISCLOSURE FOR ALL INTERNATIONAL PROCUREMENT

Introduction

The World Bank is mainstreaming the disclosure of Beneficial Ownership information for all procurements subject to international competition. On November 1, 2017, the World Bank launched the Beneficial Ownership pilot. This pilot was applied in projects with Decision Review held on or after November 1, 2017. As part of promoting transparency in procurement, for the most significant contracts identified in the procurement plans, the Procurement Regulations reauire that bidders/proposers/consultants identify their Beneficial Owners. This Beneficial Ownership information is published by borrowers as part of the Contract Award Notice. The World Bank is expanding the scope of procurements for which this disclosure is required.

Scope

Investment Project Financing: For all procurement subject to international competition (open or limited), Borrowers shall require the winning bidder to provide Beneficial Ownership information. The Beneficial Owner of a bidder/proposer/consultant is any natural person who ultimately owns or controls the bidder/proposer/consultant by meeting one or more of the conditions specified in the Beneficial Ownership Disclosure Form. Borrowers shall publish this Beneficial Ownership information as part of the Contract Award Notice. Specifically, the following shall apply for such procurement:

- 1. The Procurement Plan shall specify that this procurement is subject to Beneficial Ownership disclosure
- The Specific Procurement Notice shall specify that the Borrower shall disclose information on the successful bidder/proposer/consultant's Beneficial Ownership, as part of the Contract Award Notice, using the Beneficial Ownership Disclosure Form (see sample in annex II) as included in the Procurement Document¹
- 3. The Procurement Document issued to the bidders/proposers/consultants shall require the winning bidder/proposer/consultant to provide Beneficial ownership Information in the form required in the Procurement Document (see Annex I)
- 4. The Letter of Acceptance (see sample in annex III) shall require Beneficial Ownership information to be provided within 8 business days
- 5. Contract Award Notice publication shall include the Beneficial Ownership Disclosure Form provided by the successful bidder/proposer/consultant.

Effective date

All new procurement advertised or invited on or after July 1st, 2022, subject to open or limited international competition under all IPF² projects with Decision Review after November 17, 2017, that are governed by the Procurement Regulations for IPF Borrowers. It applies to procurement subject to Prior Review or Post Review.

¹ Procurement document in the context of this document refers to the bidding (tender) document or request for proposals document as appropriate

² IPF: Investment Project Financing



ANNEX I – Guidance on completing relevant provisions to reflect the Beneficial ownership Disclosure requirement

Until the 2021 version of SPDs are updated to reflect this requirement (calendar year), the following provisions shall be completed by Borrowers to reflect application of this requirement. This list of provisions is based on SPD-RFBs for Goods, 2021. Similar changes shall be made, as appropriate, on procurement documents based on other SPDs.

- 1. Specific Procurement Notice (SPN): Complete paragraph 8 to read "Attention is drawn to the Procurement Regulations requiring the Borrower to disclose information on the successful bidder's beneficial ownership, as part of the Contract Award Notice, using the Beneficial Ownership Disclosure Form as included in the bidding document.".
- 2. Bid Data Sheet (BDS) ITB 45.1: Specify that "The successful Bidder Shall submit the Beneficial Ownership Disclosure Form."



ANNEX II – Sample Beneficial Ownership Disclosure Form

Beneficial Ownership Disclosure Form

INSTRUCTIONS TO BIDDERS: DELETE THIS BOX ONCE YOU HAVE COMPLETED THE FORM

This Beneficial Ownership Disclosure Form ("Form") is to be completed by the successful Bidder¹. In case of joint venture, the Bidder must submit a separate Form for each member. The beneficial ownership information to be submitted in this Form shall be current as of the date of its submission.

For the purposes of this Form, a Beneficial Owner of a Bidder is any natural person who ultimately owns or controls the Bidder by meeting one or more of the following conditions:

- *directly or indirectly holding 25% or more of the shares*
- directly or indirectly holding 25% or more of the voting rights
- directly or indirectly having the right to appoint a majority of the board of directors or equivalent governing body of the Bidder

RFB No.: [insert number of RFB process] **Request for Bid No**.: [insert identification]

To: [insert complete name of Employer]

In response to your request in the Letter of Acceptance *dated* [*insert date of letter of Acceptance*] to furnish additional information on beneficial ownership: [*select one option as applicable and delete the options that are not applicable*]

(i) we hereby provide the following beneficial ownership information.

Details of beneficial ownership

Identity of Beneficial Owner	Directly or indirectly holding 25% or more of the shares (Yes / No)	Directly or indirectly holding 25 % or more of the Voting Rights (Yes / No)	Directly or indirectly having the right to appoint a majority of the board of the directors or an equivalent governing body of the Bidder (Yes / No)
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[include full name		
(last, middle, first),		
nationality, country		
of residence]		

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(ii) We declare that there is no Beneficial Owner meeting one or more of the following conditions:

- directly or indirectly holding 25% or more of the shares
- directly or indirectly holding 25% or more of the voting rights
- directly or indirectly having the right to appoint a majority of the board of directors or equivalent governing body of the Bidder

OR

(iii) We declare that we are unable to identify any Beneficial Owner meeting one or more of the following conditions. [If this option is selected, the Bidder shall provide explanation on why it is unable to identify any Beneficial Owner]

- directly or indirectly holding 25% or more of the shares
- directly or indirectly holding 25% or more of the voting rights
- directly or indirectly having the right to appoint a majority of the board of directors or equivalent governing body of the Bidder]"

Name of the Bidder: *[insert complete name of the Bidder]

Name of the person duly authorized to sign the Bid on behalf of the Bidder: **[*insert complete name of person duly authorized to sign the Bid*]_____

Title of the person signing the Bid: [insert complete title of the person signing the Bid]____

Signature of the person named above: [insert signature of person whose name and capacity are shown above]_____

Date signed [insert date of signing] day of [insert month], [insert year]

^{*} In the case of the Bid submitted by a Joint Venture specify the name of the Joint Venture as Bidder. In the event that the Bidder is a joint venture, each reference to "Bidder" in the Beneficial Ownership Disclosure Form (including this Introduction thereto) shall be read to refer to the joint venture member.

^{**} Person signing the Bid shall have the power of attorney given by the Bidder. The power of attorney shall be attached with the Bid Schedules.



ANNEX III – Sample Letter of Acceptance

Letter of Acceptance

То: _____

This is to notify you that your Bid dated ______ for execution of the ______ for the Contract Price in the aggregate of ______, as corrected and modified in accordance with the Instructions to Bidders is hereby accepted by our Agency.

You are requested to furnish (i) the Performance Security within 28 days in accordance with the Conditions of Contract, using for that purpose one of the Performance Security Forms and (ii) the additional information on beneficial ownership in accordance with BDS ITB 46.1, within eight (8) Business days using the Beneficial Ownership Disclosure Form, included in Section X, - Contract Forms, of the bidding document.

Authorized Signature:	
Name and Title of Signatory: _	
Name of Agency:	

Attachment: Contract Agreement