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Founded by investigators and used by the world’s largest financial institutions, Arachnys is a company with a global perspective, empowering our customers to stay at the forefront of worldwide due diligence information.

We combine deep investigative expertise with powerful technology to automate routine procedures and allow our users to do what they do best — evaluate data.

www.arachnys.com
Introduction

The 2015 Arachnys Compass is the third annual global public data survey published by Arachnys. The site lists more than 1200 sources of corporate and legal information from our database and evaluates the volume of data available in each, building up a picture of global data availability.

For the first time, in addition to calculating an overall score for each country, the Arachnys Compass shares the key names and links to the sources contributing to a country’s performance and displays the types of data, such as names of shareholders, available from each source.

The platform also outlines any restrictions investigators might face, such as paywalls, the need to register for access, or sites where only users with a national ID number are able to access services.

As a result, the 2015 Compass is both a means to explore the global data landscape and a practical reference for investigators looking to source information in unfamiliar geographies.
Executive summary

Europe has some way to go to harmonise standards on corporate transparency

- Initiatives by Denmark and the UK to improve public access to corporate data see them setting a global example on transparency
- Greece and Spain are the worst-faring countries on provision of corporate record access
- Recent and prospective EU-accession countries have a broadly good provision of public company data, with Serbia and Bulgaria particularly strong examples

Offshore jurisdictions are making little progress on transparency

- Turks and Caicos ranks last in the list, below even North Korea
- Hong Kong is the outlier among the group, landing in the top 10 overall
- Of 23 countries and territories with no online provision of company data, 7 (30%) are offshore financial centres

Europe

Recent and prospective EU member states score well

Large range of corporate scores

- Bulgaria: 100
- Serbia: 81
- Greece: 44
- Spain: 46
- Denmark: 100
- United Kingdom: 100

Offshore jurisdictions

- Hong Kong: Top 10 with overall score of 74
- 7 out of 23 countries & territories with no available company data online are offshore
- Turks and Caicos ranks last globally, below North Korea
Despite recent high-profile corruption cases across the region, investment in transparency platforms in Latin America is paying off

- Ecuador shoots into the top 5 with an openly-accessible company data portal and relatively good access to court records
- Brazil performs well, though several hurdles exist for overseas investigators looking to access public records because of its decentralised data infrastructure
- Despite high inward investment, Mexico remains relatively opaque
- Cuba still lacks transparency, though the prospect of relaxed embargoes could drive support to develop public data infrastructure

MENA is a black hole for litigation

- Tech oasis Israel is the only outlier in the region with good provision of access to court records
- Among other countries in the region, Morocco, Jordan and Lebanon score adequately, but court records are otherwise extremely challenging to access
- Where judgment search services are online, they can typically only be searched by case number

Although language skills may be essential, a wealth of information is available online in Asia Pacific countries

- Detailed profiles on Chinese and South Korean companies can be accessed, though English-language portals are either not available, or provide fewer details
- Australia and New Zealand have good infrastructure and have contributed to improved public data provision in neighbouring countries such as Papua New Guinea, the Solomon Islands and Samoa
- Indonesia leads the ASEAN group of nations, with Laos scoring the lowest among the group

Public data infrastructure is still waiting to take off in Africa

- Corporate data is still poorly provided in most of sub-Saharan Africa, though Senegal stands out from the crowd
- Court records in Nigeria and Rwanda buck the overall trend in being relatively comprehensive and easy to access
- Five sub-Saharan African nations have no access to corporate or litigation data
Corporate data

Sourcing official company data is the bedrock of due-diligence information: while a company may have a broad footprint of online information that suggests authenticity, third-party directories can quickly become out of sync with official records and fail to reflect changes in management, capital, operational status or ownership. The existence of online services to deliver company data varies widely from country to country, as does ease and cost of access.

In each country assessed in the Arachnys Compass, we looked for an official corporate registry. Typically, this data is provided through a government ministry or agency, though in some countries (such as Finland and Austria) company data is distributed through private third-party providers. Other official sources may provide a deeper level of insight into a company’s activities, or they may be the only available source of online information if there is no access to a central corporate register. Stock exchanges, for example, typically have disclosure requirements imposed on listed companies and online provision of disclosure documents for such companies is good in several countries (for example Sri Lanka) where little company data can be accessed from the central registry. In the absence of an online company database, company formations are often published in an official government gazette, although this may not track all changes to a company’s structure or ownership. Finally, chambers of commerce can be a useful source of company data, even playing an official role in company registrations in some countries (including the Netherlands and Kuwait).

Going beyond a simple status verification, the data markup in Compass allows investigators to see where in the world it is possible to easily build a more detailed picture of a company’s activity and ownership structure.

Types of corporate data sources

1. Corporate registry
2. Stock exchange
3. Government gazette
4. Chamber of commerce

Increasing transparency of ownership, particularly, is the focus of many corruption and tax justice campaigning organisations worldwide and a handful of countries are taking steps to open up relevant data: both the United Kingdom and Denmark have launched free access to company shareholder data in the last couple of months. The Compass site also displays whether users can access names of company directors, a contact address, the registration number and information on share capital. We also award a discretionary point for any additional information available from a source, which might include profit and loss accounts or historical names.

Many factors can complicate access to company records, from paywalls to the challenge of navigating online services in an unfamiliar language or script. Access restriction information in Compass shows whether it is necessary to register for an account in order to access data; whether payment is needed (and how much); and whether access is limited only to certain persons, such as those with a national ID number, or official post holders.

Information about company directors is available for free or with restrictions, such as paywalls, in a large number of countries; however many Latin American and African countries do not provide this information.
In Brazil, for example, many of the state-level corporate registries only allow users to download reports if they are listed in the country’s Natural Persons Register (Cadstro de Pessoas Físicas). Restrictions on access to corporate data typically result in a lower score for the country in the corporate category, although we have chosen not to penalise countries for lack of an English-language service. As such, South Korea’s DART registry scores very well in the corporate category, even though the English language version of the service has considerably less data depth than the Korean version.

Countries with a federated registration system such as Brazil, China and the USA, have scores which reflect the availability of data across a representative collection of states. Typically we have chosen the largest five states by size of the economy. This could negatively impact the overall score, especially where data availability varies from state to state.

Europe dominates the top 100 corporate transparency scores and, on average, countries in Western Europe had better access to corporate records. Interestingly, however, countries in Eastern and Central Europe feature strongly at the top, with Bulgaria, Czech Republic, Estonia and Croatia all in the top 10.

Among the BRICS and MINT blocs, Russia and China were the only countries landing in the top 50 on the Corporate category, with registration and payment requirements making it harder to get hold of records in India and Brazil. MINT nations performed less well than BRICS overall, with Nigeria trailing the group.
Litigation

Providing vital information about possibly illegal activities of companies and individuals, court records can be a valuable, yet often hard to navigate, intelligence source for investigators. For Compass, we’ve looked at their availability around the world.

Our assessment takes into consideration the number of different types of courts that publish records in any given country as well as how extensive these records are. We awarded points for completeness of litigation databases as many countries only publish a limited number of cases, typically based on their value as legal precedent. Sources were also scored higher where judgment documents mentioned plaintiffs’ and defendants’ names (although our model did not penalise sources that anonymize to protect children, victims of domestic violence, or similar vulnerable parties). Finally we assessed data sources on the extent of historical records and availability of full-text judgments rather than abridged summaries. We have not included commercial legal database solutions as part of the assessment.

Despite well-publicised issues of intransparency, the United States, has fared well in our litigation scoring. Taken in an international context, there is a large volume of publicly accessible federal and state-level court opinions if investigators are prepared to navigate individual court websites. The centralised Public Access to Court Electronic Records (PACER) system, which searches decisions from all district, appellate and bankruptcy courts, is more powerful, but is paywalled and notoriously awkward. In recent years, efforts by citizen groups to build a free public repository for legal information are beginning to bear fruit, but they have faced significant opposition by federal prosecutors.

Other countries that made it into our litigation top 5 are Hong Kong, Canada, Israel and Papua New Guinea. The Hong Kong Judiciary provides straightforward access to court records through a user-friendly search engine, allowing the retrieval of documents in English and Chinese. In Canada, litigation records are available from the Supreme Court, Federal Court of Appeal as well as from a number of provincial and specialised courts, and can be accessed easily through the website of the Canadian Legal Information Institute.

Many smaller states score well because they receive support from larger states in making judgments accessible online and do not have many documents. This is the case of Papua New Guinea, where all court records are available through the Pacific Legal Information Institute (PacLII). Worldwide, the free access to law movement has built a wealth of ‘LII’ repositories (including the UK’s BaiLII), though some are more comprehensive than others.

Excluding those countries that do not provide any litigation-related information at all, the five countries at the lower end of our litigation ranking include Cuba, Guinea-Bissau, Qatar, Vietnam and Afghanistan. In these countries, information is typically available from the country’s top-level court, with a varying amount of details. Databases that provide litigation information for a group of countries, such as LegisPalop for African lusophone countries, compensate for the lack of national jurisprudence portals.

In a regional perspective, our analysis finds that the little litigation information available in Africa and the Middle East generally needs additional information to access, such as a case number. The picture in Asia is more mixed, with seven Asian countries scoring among the top 20, but also a few at the lower end of the ranking. Court decisions in Europe are mostly anonymised and thus do not include the name of plaintiffs and defendants, which explains their limited presence among high-scoring countries.

Among the top destinations for foreign direct investment in 2014, China, Hong Kong and the United States, the latter two provide extensive litigation information, which is more limited in China. The United States and Hong Kong do also well in the World Bank’s Ease of Doing Business index.
News

Global media titles are an important provider of compliance-relevant information and red flags. News searches are often starting points for investigation: giving an idea of a company or individual's global footprint, prominence and public perception. News content may also provide historical information on company appointments, establish personal or business relationships to PEPs or sanctioned individuals or reveal allegations or charges that have not yet been documented in official court documents.

Although many titles, particularly sector-specific providers, are moving to subscription models to stay viable, the majority of online news content is still freely available and so we have not considered access restrictions in calculating a country's news score for Compass.

The listed News score is based on the size and diversity of a country's media market. It is a logarithmic measure of the news titles per country in relation to a country's population. In order to accurately estimate the distribution of the approximately 15,000 news sources worldwide, we combined data from the UN, World Bank, our own country-based media libraries and publicly available information from premium news databases.

Much of the top 10 is dominated by the English-speaking developed world, with the US topping the list. Federalised Latin American countries (particularly Argentina and Brazil) also score high, where there are a vast range of local and state-level titles and still-rising circulation figures. Fourth overall, India has a hugely diverse and growing media industry, partly boosted by the country's linguistic diversity. The World Press Trends 2015, published yearly by the World Association of Newspapers and News Publishers (WAN-IFRA), confirm that India has the "healthiest print newspaper industry in the world". The distribution of top ranks also reflects broader industry trends: Whereas circulation figures are stagnating or declining in much of the Western world, the newspaper industry is noticing positive growth rates in Latin America and Asia. Brazil, Russia, India, Indonesia and Turkey are all listed in the top 10 with Mexico following on the 14th rank.

Countries that tend to score low in the News section are those that show low respect for the freedom of press and tend towards the authoritarian spectrum of government systems. However, news articles alongside alternative sources of citizen journalism such as blogs or platforms of investigative journalists here can still provide a valuable source of adverse information.

Top 5 in news score

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<tr>
<th>Country</th>
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<tr>
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<tr>
<td>Argentina</td>
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<td>India</td>
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<td>Brazil</td>
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BRICS

<table>
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<td>Brazil</td>
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MINTs

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<tr>
<td>Russia</td>
<td><img src="image" alt="Russia" /></td>
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Where other official sources of corporate records are scarce or not available online, they also provide access to company background data. We recognize that local-language capabilities are very valuable in accessing regional news titles as these are likely sources of unfavourable information. The Arachnys database therefore features 80% non-English news titles in high-risk and emerging markets with automated machine translation integrated for 89 languages at the moment.