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UBO DUE DILIGENCE 2026

Why ownership transparency is now a strategic control for sanctions, export controls, and third-party risk

ETHIXBASE360

EXECUTIVE SUMMARY

Ultimate beneficial ownership has shifted from a peripheral compliance issue to a central corporate risk. Regulators are now focused on proof rather than declarations, especially where hidden ownership structures could facilitate sanctions evasion, corruption, export control circumvention, or illicit finance.

Multiple factors reinforce this shift. In the U.S., the Corporate Transparency Act (CTA)[1] and FinCEN's Beneficial Ownership Information (BOI) regime drive transparency, though legal and operational challenges persist. OFAC's 50% Rule emphasizes aggregated ownership and circumvention risks[2]. Export controls increasingly rely on ownership analysis, pushing UBO due diligence into trade compliance[3], reinforced by BIS's 50% Rule — which, while currently suspended through a one-year pause, underscores ongoing regulatory expectations around ownership, control, and affiliated entities[4].

Europe is tightening beneficial ownership transparency, but access varies due to court rulings, privacy issues[5], and the creation of the EU Anti-Money Laundering Authority (AMLA).[6]

It is now clear that UBO cannot be treated as a one-time onboarding task. Modern UBO due diligence must be continuous, evidence-led, and ownership-based, supported by multi-source verification, workflow automation, and audit-ready documentation. Firms that modernize their approach will reduce regulatory exposure, strengthen supply chain resilience, and make faster, safer decisions in a volatile global environment.

EXECUTIVE SUMMARY

Key points to note:

- UBO is no longer an anti-money laundering (AML) tick box. It is a strategic control for sanctions, export controls, supply chain resilience, governance, and third-party risk management.
- Regulators ask, “Can you prove it?” Mere ownership data is not enough. Document sources, rationale, and decisions.
- Sanctions and export controls have converged. Ownership analysis increasingly determines whether a relationship is permissible.
- Transparency is tightening rapidly, yet data access remains uneven. Registry constraints and privacy rules now urgently require verification to be triangulated.
- Manual UBO checks do not scale. Spreadsheets, screenshots, and one-off registry searches cannot keep pace with dynamic ownership risk.
- Technology expectations have changed. AI-enabled ownership mapping, automated resolution workflows, and real-time monitoring are now standard practice.
- Name-based screening alone is insufficient. Risk often hides within structures.

UBO due diligence is not optional, reactive, or periodic. It should be continuous, defensible, and integrated with third-party approval, monitoring, and management.

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1.INTRODUCTION: WHY UBO MATTERS

Beneficial ownership has become a frontline issue in financial integrity, sanctions enforcement, and corporate resilience.[7], [8]

Regulators and enforcement agencies are increasingly focused on hidden ownership structures that enable money laundering, sanctions evasion, corruption, tax abuse, and illicit finance.[9],[10] This shift is being reinforced by geopolitical volatility, tougher trade restrictions, and heightened scrutiny of cross-border corporate networks.[11],[12]

UBO due diligence must not be optional, reactive, or periodic. It should be continuous, defensible, and integrated with third-party approval, monitoring, and management.[13]

Organizations with strong UBO capability are better equipped to navigate regulatory change, reduce exposure, and protect trust in an economy where transparency is a baseline expectation.[14]

2. FOUNDATIONS: WHAT UBO MEANS IN PRACTICE

Who is a beneficial owner?

A beneficial owner is a natural person who ultimately owns, controls, or materially benefits from a company, trust, partnership or other legal entity, whether directly or through intermediaries.[15]

A beneficial owner may:

- hold shares directly
- control an entity through subsidiaries or affiliates
- exercise influence via voting rights, financing arrangements, or contractual arrangements
- benefit economically without being publicly listed as an owner[16]

Beneficial vs legal ownership

Legal ownership tells you whose name appears on the paperwork. Beneficial ownership tells you who controls the entity and who ultimately profits from it.[17]

Without visibility into beneficial ownership, organizations cannot be sure who they are doing business with, who benefits from a transaction, or where influence lies.[18] A relationship that appears legitimate on paper can become a compliance and reputational liability if the true owner is sanctioned, politically exposed, or linked to illicit networks.[19]

In a sector where trust is critical, lapses in third-party governance can erode credibility quickly. [13]

2. FOUNDATIONS: WHAT UBO MEANS IN PRACTICE

Qualification thresholds

There is no universal qualification threshold for ultimate beneficial ownership.[20] It depends on the law or standard being applied, but there are common benchmarks.

The most common threshold is 25% ownership or control, direct or indirect.[21] Lower thresholds may apply in higher-risk contexts,[22] because influence can matter well below 25%.

A person can also qualify as a beneficial owner even if they hold no shares but exercise control,[23] for example, through:

- voting rights or veto powers
- the right to appoint or remove directors
- contractual rights (for example, financing covenants or shareholder agreements)
- senior management control or de facto influence[24]

The global trend is toward broader definitions of control and greater scrutiny of indirect ownership,[25] especially where sanctions, export controls, and enforcement risk apply.

2. FOUNDATIONS: WHAT UBO MEANS IN PRACTICE

UBO in a third-party risk context

UBO matters most when organizations rely on external parties such as suppliers, distributors, agents, joint ventures, logistics partners or financial intermediaries.[26]

Hidden ownership can mask:

- sanctioned individuals
- politically exposed persons (PEPs)
- criminal networks
- state-linked entities in restricted jurisdictions
- corrupt officials or bribery risks
- hidden affiliates used to bypass export controls[27, 28, 29]

Any third-party due diligence that cannot establish beneficial ownership is incomplete.[30]

25%

The most common threshold is 25% ownership or control,[31] direct or indirect. Lower thresholds may apply in higher-risk contexts, because influence can matter well below 25%.

3. THE NEW RISK LANDSCAPE: WHY THE SHIFT HAPPENED

The global risk environment is more fragmented and uncertain than it was even a few years ago.[32] In such conditions, it helps to move from asking "what is the rule?" to "what is the trend, and what does it mean for our third parties?" and what does it mean for our business?"

Geopolitics has turned ownership into a security and resilience issue.[33]

Geopolitical tensions, trade disputes, and strategic rivalry among major powers are reshaping global commerce.[34] In this environment, ownership structures and cross-border financial flows are no longer a background detail. They can conceal strategic dependencies, sanctions exposure, and supply chain vulnerabilities, and regulators are responding accordingly.[35]

Since 2023, Russia-related sanctions have expanded,[36] alongside more sophisticated evasion typologies. These include the use of intermediaries, layered ownership chains, and trading networks spanning multiple jurisdictions,[37] as well as maritime workarounds such as the "shadow fleet."[38],[39] These dynamics have a disproportionate impact on sectors with complex global supply chains and cross-border exposure, including energy, shipping and maritime services, commodities and metals trading, manufacturing, and financial and professional services. For risk teams, the implication is practical: sanctions exposure is increasingly found in corporate networks and related party links, not only in the named counterparty.[40]

At the same time, China-related export controls have widened,[41] with greater attention to indirect exposure through affiliates,[42],[43] joint ventures, and front companies used to route restricted goods, software, and know-how. In high-risk sectors, export control compliance increasingly depends on understanding who controls an entity[44] and how it connects to other parties, rather than relying solely on list-based name screening.

The Middle East adds a different layer of risk. Conflict and instability can trigger sudden shifts in enforcement focus, financing scrutiny, and counterparty risk,[45] particularly where businesses operate through complex distribution chains, local partners, or state-linked entities. In practice, this raises the stakes for identifying hidden ownership interests and influence.[45]

GEOPOLITICAL TENSIONS, TRADE DISPUTES, AND STRATEGIC RIVALRY… RESHAPING GLOBAL COMMERCE

3. THE NEW RISK LANDSCAPE: WHY THE SHIFT HAPPENED

Across Asia, beneficial ownership transparency remains uneven.[46] Some jurisdictions are strengthening disclosure frameworks under international pressure, while others continue to limit visibility through local structuring, nominee arrangements, or restricted access to registry data.[47] More jurisdictions are also tightening registry access conditions, reducing what can be verified solely through public sources.[48]

Finally, global data privacy and localization constraints are increasingly shaping what firms can collect,[49] share, and retain during UBO verification. Even where ownership information exists, organizations may face limits on cross-border data transfers, access to identity records,[50] or the use of third-party intelligence. This makes it essential to document a risk-based approach, triangulate across multiple sources, and evidence how conclusions were reached.

Enforcement is faster, broader, and more aggressive

With ownership opacity increasingly linked to sanctions evasion, AML breaches, and export control violations,[51] regulators have moved from guidance to action. Enforcement agencies are imposing larger penalties,[52] expanding investigations beyond the immediate counterparty into affiliate and third-party networks,[53] and targeting both individuals and institutions. For organizations, the risk is no longer theoretical; weakness in third-party risk management, including failures to identify beneficial ownership, related-party exposure, or indirect control, are now central to enforcement outcomes when sanctions compliance breaks down.

Supply chain exposure has increased[59]

Supply chains are longer, more global,[54] and more digitally connected. Organizations depend on complex networks of manufacturers, logistics providers, agents, and intermediaries, many of which operate in high-risk or opaque jurisdictions.

Weak UBO visibility increases the risk of disruption, contract termination, exposure to export licences,[55] and reputational damage, including human rights and forced labour risks under evolving supply chain due diligence regimes such as the EU Corporate Sustainability Due Diligence Directive (CSDDD).[56]

Governance expectations are rising

Boards, investors, and customers increasingly expect[57] organizations to demonstrate responsible business conduct, not merely meet minimum requirements. That includes the ability to identify who ultimately controls third parties, detect conflicts of interest, and provide evidence that relationships are not funding corruption, sanctioned actors, or hidden state-linked interests.

In practice, ownership transparency is becoming a governance indicator.[58] It signals whether a firm understands its exposure, can defend decisions, and can operate credibly under scrutiny.

4. WHY UBO LOOKS DIFFERENT TODAY

Organizations now face tighter rules and broader scope, more assertive enforcement,[60] greater complexity in registry access, and higher expectations for technology-enabled diligence.

The question is no longer "do we collect ownership information?" but "can we prove it, defend it, and monitor it continuously?"

In practical terms, UBO is no longer background context or a static onboarding consideration; it is a determinative factor in whether a transaction is permissible, licensable, or must be declined altogether.[61]

5. KEY REGULATORY UPDATES: WHAT TO TRACK

America: CTA and FinCEN's BOI regime

The Corporate Transparency Act (CTA) and its beneficial ownership reporting rules, administered by the Financial Crimes Enforcement Network (FinCEN), represent one of the most significant shifts in U.S. corporate transparency in decades.[62]

When the rules were first finalized, expectations appeared relatively straightforward: U.S. entities would file beneficial ownership reports, and FinCEN would build a secure database to support authorised access.

Today, the picture is more nuanced. Litigation and constitutional challenges have tested aspects of the regime,[63] prompting clarifications and adjustments to timelines and applicability. Scope and exemptions have also been refined, particularly for entities already subject to robust supervision.

Instead of a clean rollout from 2024, implementation has been more fluid in practice. The rules apply mainly to "reporting companies",[64] which broadly include privately held entities formed in the United States, and foreign entities registered to do business there, unless they qualify for one of the CTA's exemptions. Many exemptions are aimed at organizations already subject to substantial regulation or public reporting.

Reporting timelines have evolved into a staggered model, with different deadlines for entities formed before the effective date versus newly created entities, and a need to track current guidance as enforcement posture and practical expectations shift. For in-scope private companies, BOI reporting typically requires submitting identifying details for each beneficial owner,[65] and in many cases, company applicant information for newly formed entities, with an ongoing obligation to update filings when ownership or reported details change.

Reporting timelines:

- The vast majority of reporting companies were to file initial BOI reports by March 21, 2025.
- Companies formed or registered during 2024 had 90 days to file after formation.
- Companies formed or registered in 2025 have 30 days from the date of notice to file.
- After initial reporting, updates are due within 30 days of any change in ownership.[66]

While CTA reporting can support ownership analysis by creating a formal reporting obligation for certain entities, it should not replace independent, risk-based due diligence. This is especially true where sanctions, export controls or high-risk jurisdictions apply.

5. KEY REGULATORY UPDATES: WHAT TO TRACK

Sanctions: OFAC's 50% Rule in practice

OFAC's 50% Rule is designed to stop sanctioned individuals or entities from hiding behind other companies. If one or more blocked persons own, directly or indirectly, 50% or more in the aggregate of an entity, that entity is treated as blocked, even if it does not appear on OFAC's Specially Designated Nationals and Blocked Persons (SDN) List. OFAC's guidance is explicit that ownership stakes held by multiple blocked persons are added together, and that indirect ownership through layered structures still counts.[67]

The rule itself is not new, but the expectations for its enforcement have become more demanding. In practice, organizations are expected to do more than screen a counterparty name.[68] They need to understand the ownership chain well enough to apply aggregation correctly and to document how they reached their conclusion.

This matters most in higher-risk settings. Where transactions touch jurisdictions associated with sanctions evasion routes, complex cross-border structures, or weak transparency, OFAC expects stronger controls[69] and a more cautious view of gaps in ownership information. Recent OFAC guidance for foreign financial institutions highlights the need to watch for red flags linked to sanctions and export control evasion that can run through third countries and opaque counterparties. Beneficial ownership analysis and related party tracing are therefore central to risk decisions.

5. KEY REGULATORY UPDATES: WHAT TO TRACK

Export controls: BIS and the ownership question

The Bureau of Industry and Security (BIS), within the U.S. Department of Commerce, administers the Export Administration Regulations (EAR) and sits at the center of U.S. export controls, particularly for dual-use goods, advanced technologies and sensitive know-how.[70]

Export control exposure has increasingly been shaped by who sits behind a counterparty, not only by whether that counterparty is named on a list. Under its updated “50% / affiliates” approach, BIS expects organizations to look more closely at who owns the entity, who controls it, and which other companies it is linked to, including parent companies, subsidiaries, sister companies, joint ventures, and other related parties.[71]

In practice, restricted parties often avoid controls by using structures that look legitimate on paper,[72] such as:

- front companies that appear independent, but are effectively acting for a restricted end user
- joint ventures that allow restricted parties to access expertise, technology, or supply chains indirectly
- layered ownership chains across multiple jurisdictions, designed to hide the real controlling interest or decision makers

A temporary pause and subsequent trade policy updates in late 2025 have created a more dynamic compliance environment. For global firms, this creates a practical challenge: the same relationship may trigger parallel obligations under sanctions and export control regimes, requiring more rigorous ownership analysis and documentation.

The impact is most acute in sectors such as defence, logistics, energy, and pharma/MedTech, where cross-border supply chains, controlled technologies, and shared technical know-how are central to commercial activity.

In these environments, ownership and control directly influence export-control assessments,[73] licensing decisions, and onward-transfer risk. In practical terms, UBO is no longer background context or a static onboarding consideration; it is a determinative factor in whether a transaction is permissible, licensable, or must be declined altogether.[19]

5. KEY REGULATORY UPDATES: WHAT TO TRACK

Europe: AMLA, registries and the privacy squeeze

Beneficial ownership transparency in the European Union is tightening again, but access remains uneven. A key turning point was the Court of Justice of the European Union's 22 November 2022 ruling, which struck down unrestricted public access to beneficial ownership registers on grounds of privacy and data protection.[74] In response, several member states narrowed access and introduced stricter conditions for obtaining ownership information, increasing friction for verification even as expectations on due diligence continue to rise.

At the same time, the European Union is moving toward stronger coordination and supervision through its wider anti-money laundering reforms. The European Union's 2024 anti-money laundering package harmonised rules, strengthened beneficial ownership transparency, and created the EU Anti-Money Laundering Authority (AMLA),[75] intended to improve consistency across member states and strengthen oversight. In parallel, the European Commission's Omnibus simplification work on sustainability reporting and due diligence signals an effort to adjust compliance burdens across related regimes.

For organizations, the practical message is clear: ownership diligence must remain defensible and risk-based but be delivered in an environment where access to ownership data is tighter, and requirements continue to evolve.

Globally: more rules, less visibility

Outside the United States and European Union, beneficial ownership transparency remains uneven. Some jurisdictions are strengthening their registries under pressure from the Financial Action Task Force (FATF).[76] Others are restricting access or introducing privacy and data localization rules that complicate cross-border verification.[77]

Organizations cannot assume that a registry search resolves ownership questions. UBO diligence increasingly depends on triangulating data from multiple sources and documenting how conclusions were reached.[78]

6. WHY PROGRAMS FAIL

On paper, beneficial ownership sounds simple: identify the real people behind a company or other legal entity. In practice, it is one of the hardest parts of third-party due diligence.

The challenge comes from three sources:

Structural complexity → Ownership is often designed to be obscure. Common obstacles include multi-layered chains, nominee arrangements, cross-ownership, trusts, foundations, and special purpose vehicles (SPVs), as well as hidden affiliates that appear independent but are coordinated behind the scenes.

Data limitations → Even where disclosure regimes exist, data can be incomplete, inconsistent, out of date, or constrained by privacy rules. Many sources are self-reported and weakly verified.

Operational constraints → Many organizations still rely on manual processes: questionnaires, spreadsheets, email threads, and static screenshots. These methods are slow, inconsistent, and difficult to audit. They do not scale.

The gap between policy and practice is where risk accumulates. To close it, organizations must move from ad hoc investigation to structured, evidence-led, and technology-enabled ownership due diligence.

7. WHAT GOOD LOOKS LIKE IN 2026

The bar for beneficial ownership due diligence has risen sharply. Today's UBO due diligence rests on five principles.

1	*Ownership-based, not name-based*	Risk sits with the person who benefits or controls, not necessarily the person whose name appears on paper. Effective due diligence looks through layers, detects hidden affiliates, and considers control signals as well as equity.
2	*Risk-based and proportionate*	Not every third party requires the same depth of investigation. Firms must allocate effort based on sector risk, jurisdiction risk, ownership complexity, and sanctions adjacency, and document the rationale.
3	*Continuous monitoring, not one-time checks*	Ownership changes. Entities restructure. Risk often emerges after onboarding. Modern programs use refresh cycles, triggers, and monitoring to prevent static snapshots from becoming blind spots.
4	*Evidence-led and audit-ready*	It is not enough to reach a conclusion. Firms must be able to explain and defend it, with clear sources, methodology, timestamps, and decision trails.
5	*Integrated across sanctions, export controls, and third-party risk management*	UBO is no longer a standalone process. It informs sanctions compliance, export controls, procurement, supply chain risk, environmental, social and governance (ESG) priorities, and governance. Strong programs share ownership insight across functions and embed it into business decisions.

8. THE MATURITY MODEL

Organizations sit at different stages of UBO capability:

1

Stage 1: Ad hoc

Checks are reactive and poorly documented. High exposure and weak defensibility.

2

Stage 2: Basic

UBO collected at onboarding with limited verification. Static snapshots.

3

Stage 3: Standardized

Defined policy, templates, and escalation rules. Still largely manual.

4

Stage 4: Automated / intelligence-enabled

Ownership mapping and resolution workflows supported by automation and monitoring.

5

Stage 5: Integrated ecosystem

UBO intelligence is embedded across sanctions, export controls, ESG and enterprise risk, providing proactive visibility and board-level assurance. The goal is not to jump stages overnight, but to progress deliberately: better governance, stronger data, smarter workflows and defensible evidence.

9. ENFORCEMENT 2026: WHAT THE CASES SHOW

The enforcement focus is increasingly on hidden affiliates, shell structures, nominee arrangements, and layered ownership chains, particularly where sanctions exposure, politically exposed person (PEP) risk or export control restrictions may apply. Authorities are pursuing larger penalties, widening investigations across corporate networks, and holding individuals accountable alongside institutions.

Recent case studies that illustrate this include:

Comunicaciones Celulares S.A. (Tigo Guatemala, 2025)

In November 2025, Comunicaciones Celulares S.A. (Comcel), operating as Tigo Guatemala and a subsidiary of Millicom International Cellular, entered into a two-year deferred prosecution agreement (DPA) with the U.S. Department of Justice (DOJ) to resolve a Foreign Corrupt Practices Act (FCPA) investigation.[79] Comcel agreed to pay a $60m fine and forfeit approximately $58.2m, a total penalty of roughly $118m.

The DOJ described a bribery scheme that was “widespread and systematic”, involving substantial cash payments to Guatemalan officials and members of Congress to influence legislation favourable to the company.[80] The alleged misconduct relied on concealment mechanics that risk teams will recognise, including shell entities, falsified contracts, and fraudulent invoices used to make improper payments appear routine.

The ownership and governance context matters. When Millicom first disclosed concerns in 2015, Comcel was operated as a joint venture. Millicom held a majority stake but did not control day-to-day operations. The minority partner retained practical control and restricted access to information, limiting oversight and complicating investigative efforts. Millicom obtained operational control in 2021, after which the DOJ reopened its investigation. The company reported extensive cooperation and remediation, and a reduction in the penalty range as part of the final outcome.

This case shows how corporate structures can create blind spots. For third-party risk and due diligence teams, ownership is not the same as control,[81] and limited access to information is a red flag. Weak governance creates space for manufactured documentation, and payment flows routed through entities that appear legitimate on paper.

9. ENFORCEMENT 2026: WHAT THE CASES SHOW

Gunvor S.A. (2024)

In March 2024, Gunvor S.A., a Swiss-based energy and commodities trading firm, pleaded guilty to conspiracy to violate the U.S. Foreign Corrupt Practices Act (FCPA) and agreed to pay more than $660m to resolve a long-running bribery investigation.[82]

The misconduct spanned roughly 2012 to 2020. Gunvor and its agents paid over $97m to intermediaries, knowing that some of the funds would be used to bribe officials at Petroecuador, Ecuador's state-owned oil company, in exchange for favourable contracts and commercial advantage. The scheme relied on offshore structures and cross-border payment routes, using shell entities and bank accounts in multiple jurisdictions to disguise the purpose of the payments and blur who was benefiting.[83]

Gunvor entered a guilty plea rather than a deferred settlement, reflecting the seriousness of the conduct and the enforcement focus on structured bribery schemes involving third parties and deliberate concealment.

The case reinforces a practical lesson: corruption exposure often sits in the third-party relationships and payment channels around a deal, where oversight is weakest, and the rationale for payments is hardest to evidence after the fact.

9. ENFORCEMENT 2026: WHAT THE CASES SHOW

Russia-related sanctions evasion

In 2024 and 2025, U.S. and allied authorities expanded actions targeting sanctions evasion schemes linked to Russia's war effort and export channels. The cases underline a consistent point for risk teams: evasion is often structural, relying on opaque ownership structures, intermediaries, and networked entities rather than a single bad actor.

Russia's "shadow fleet" and wider evasion ecosystem uses a web of shipping, trading and financial entities to keep exports moving despite restrictions.[70] On January 15, 2025, the U.S. Treasury disrupted networks that used offshore payment channels and intermediaries to move funds and restricted goods toward Russia's defence sector, including by designating foreign facilitators involved in cross-border settlement arrangements.[84]

Across 2024, OFAC also sanctioned hundreds of individuals and entities tied to Russia's military industrial base and to sanctions evasion networks spanning 17 jurisdictions.[70] The accompanying maritime and financial compliance guidance reinforced a recurring theme: evasion networks depend on layered ownership chains and intermediaries that obscure ultimate control and benefit.

Enforcement has also extended into digital finance. In August 2025, OFAC designated Grinex, a cryptocurrency exchange, for facilitating billions of dollars in transfers intended to bypass sanctions.[13] This reflects how digital intermediaries are now scrutinised for their role in enabling sanctioned networks.

Taken together, these actions show authorities looking beyond the surface entity to how value moves, who ultimately controls or benefits, and which structures are used to conceal that reality. For organisations, the implication is clear: sanctions compliance increasingly depends on ownership and related-party visibility, supported by defensible UBO analysis and ongoing monitoring.

10. THIRD-PARTY RISK MANAGEMENT AND TECHNOLOGY EVOLUTION: FROM SCREENING TO OWNERSHIP INTELLIGENCE

One of the biggest shifts in recent years has been the reduction in the time available to manually interpret UBO data. Corporate networks change quickly, as do sanctions exposures, export control restrictions and high-risk affiliations. A modern third-party risk management (TPRM) program needs to treat UBO as active risk signals, not as static fields collected at onboarding.[85]

This is where AI-enabled ownership mapping is becoming practical.[86] Instead of relying on a single registry search or a single corporate record, leading programs are using technology to assemble ownership structures across jurisdictions, identify inconsistencies, and surface the relationships that matter, including indirect control, affiliates, nominee patterns, and state-linked influence. Automation supports defensible decision-making more quickly, even when the structure is complex and the information is incomplete.

Just as important is what happens when ownership data is incomplete. When ownership cannot be easily confirmed, the workflow should not stall. Risk teams need structured escalation paths, clear exception handling, and evidence trails that show what was checked, what could not be verified, and what controls were applied as a result.[87] This aligns with current enforcement expectations that firms can explain how they reached a conclusion, not simply that they ran a screen.

Monitoring has also moved on. Real-time sanctions screening is insufficient if ownership changes can reintroduce risk after onboarding. The stronger approach is continuous monitoring that tracks sanctions updates alongside ownership changes,[88] related party links and adverse media signals, so that organizations can respond when risk shifts, not months later during a periodic review.

Technology also needs to connect UBO diligence to wider regulatory exposure. Supply chain transparency laws, including the Corporate Sustainability Due Diligence Directive (CSDDD)[13] and modern slavery regimes, are pushing firms to understand not only who they buy from, but who ultimately controls critical suppliers, labour providers and intermediaries. That makes ownership visibility a core input into human rights risk assessment, supplier governance, and audit prioritization.

There has been a change in emphasis. While name-based screening remains a requirement, ownership-based due diligence that focuses on who benefits, who controls, and who can influence outcomes through corporate structures, affiliates and intermediaries is now central to meeting regulator expectations.[68] Today's TPRM platforms, supported by managed services where needed, help organizations scale. They reduce manual effort, improve consistency, and strengthen the defensibility of decisions across global third-party networks.

11. THE PATH FORWARD: BUILDING A DEFENSIBLE UBO PROGRAM

The message from regulators, enforcement trends, and geopolitical pressure is consistent: beneficial ownership transparency is no longer background compliance. It is a frontline requirement.

A modern UBO program has six practical components.

1. Governance and accountability

Define what UBO means for your organization. Set thresholds, escalation rules, and exceptions. Assign clear accountability and oversight.

2. Multi-source verification

Use registries, filings, commercial data, sanctions and PEP sources, adverse media, questionnaires, and internal intelligence. No single source is sufficient.

3. Ownership mapping and resolution workflows

Move beyond document collection. Build structured workflows to identify beneficial owners, resolve complexity, and capture evidence.

4. Real-time monitoring and triggers

Establish refresh cycles and event-driven reassessments. Monitor ownership shifts and sanctions updates continuously, as warranted by risk.

5. Technology-enabled scale

AI-enabled ownership mapping, automated UBO resolution workflows, and integrated monitoring are no longer “nice to have.” They are how organizations keep pace with modern expectations and volume.

6. Audit-ready evidence

Document sources, rationale, and decisions. Maintain a clear trail that can be reconstructed months or years later.

The payoff

A mature UBO program delivers more than regulatory comfort. It strengthens supply chain resilience, reduces sanctions and trade exposure, improves onboarding speed, and builds trust with customers, partners and regulators.

In an environment where opacity is increasingly treated as risk in itself, transparency becomes a capability and a competitive advantage.

CONCLUSION: VISIBILITY, VERIFIABILITY, AND VIGILANCE

Beneficial ownership is no longer a niche compliance concern. It sits at the center of sanctions enforcement, export controls, supply chain integrity, and corporate governance.

Organizations that update their systems today, moving from static manual checks to continuous, evidence-led, ownership-based due diligence, will be better equipped to operate with confidence in a more contested global economy.

For effective UBO compliance that aligns with regulators expectations and will fit future needs, the path forward is clear: visibility, verifiability and vigilance.

ETHIXBASE360 UBO & ENHANCED DUE DILIGENCE SOLUTIONS

Effective UBO programs rely on more than name-based screening. They require structured ownership mapping, multi-source verification, sanctions-aligned analysis, and continuous monitoring to identify controlling individuals, resolve complex corporate structures, and maintain a defensible record of decision-making over time. For risk teams, the objective is not simply to collect ownership data, but to generate ownership intelligence that can withstand regulatory, audit, and enforcement scrutiny.

These capabilities are particularly critical in addressing layered, cross-border, and opaque ownership structures where indirect control or hidden interests may create sanctions, export control, or corruption exposure. Jurisdiction-aware ownership analysis, combined with clear documentation and monitoring workflows, enables organizations to demonstrate how conclusions were reached — not merely that a screening exercise was performed.

For higher-risk relationships, deeper contextual analysis is often required. Enhanced due diligence capabilities that integrate expanded adverse media, litigation and regulatory screening, and reputational intelligence enable compliance, trade, and risk teams to assess not only who owns a counterparty, but how ownership links to broader governance, geopolitical, and enforcement exposure.

Ethixbase360 supports these practices through integrated **UBO** and **enhanced due diligence** capabilities that operationalize ownership mapping, verification, and monitoring within a single third-party risk framework. In higher-risk scenarios, many organizations also leverage **Tcertification** to introduce independently verified ownership mapping, gap analysis, and ongoing sanctions monitoring in a single, audit-ready output — supporting proportionate, risk-based diligence where ownership structures are private or difficult to verify.

In a landscape where ownership opacity increasingly signals regulatory and commercial exposure, structured and technology-enabled UBO oversight — integrated with enhanced due diligence — is no longer a peripheral compliance activity. It is a strategic control for sanctions resilience, export-control defensibility, supply-chain integrity, and sustained market access.

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ABOUT ETHIXBASE 360

Ethixbase360 empowers confident third-party risk management through smart automation, expert-led due diligence, and responsive support. Our platform provides a single, connected view of global third-party risk, with insight and audit readiness built in. Designed to flex with risk and change, it adapts to shifting regulations and priorities, giving organizations control and the ability to respond at pace. Its proven configurability is backed by expert teams who bring human intelligence to every decision. Covering Anti-Bribery and Corruption, Modern Slavery, Human Rights, and Cyber, Ethixbase360 helps organizations stay resilient and agile, enabling faster decisions, greater value chain transparency, and clarity in an increasingly complex risk landscape. Learn more at **www.ethixbase360.com**.

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