

The Future of Companies Registry Data is Open

Hong Kong's Companies Registry is one of the most user-friendly public information services, but it is not designed for the future.

As one of the most efficient and high quality e-Government services, the Hong Kong Companies Registry regularly receives awards and recognitions. The e-Registry service in particular is popular with around 2 million website visits per year, with 99% of the searches now conducted online.

The existing system for accessing and using the registry data, however, is limited, and not designed on Open Data principles which enable queries beyond simple company searches. Search is also still a chargeable service although the collection and data management is already paid for in the course of the agency's normal business such as collecting business registration fees. So why is a public agency "double-charging" for information?

The Companies Registry charges HK\$22 per company search; however, there is no explanation for establishing fees in a digital information environment other than the agency suggesting that there is "a need to generate revenue". As a trading fund, the Registry generated HK\$216.6 million profit after tax last year some of which will be invested in service enhancement programmes. One of the biggest service improvements could be to waive the search fees to increase usage.

This is what the New Zealand Companies Office did in 2007 and now attracts 7 million searches per year. Adopting an Open Data policy and "having no fees makes delivery (technology) easier and less expensive" argues the New Zealand registrar. Similarly, the UK Company House recently removed search fees on director appointments, and is likely to waive other fees in order to increase economic value from the re-use of public information assets.

So amidst the discussion about the new Companies Ordinance in Hong Kong, perhaps it is time to review the organisation's readiness for an increasingly open and connected knowledge-based economy?

Open company data was the basis for mapping connections between companies in the horsemeat scandal in Europe with resulted in striking visualisations of a well-organised, cross-country supply network of illegal activities by companies with mutual shareholdings and directorships.

Such type of analysis was expensive and time-consuming before registries started to open up their datasets to enable broader queries on patterns of ownership and director search across national boundaries.

OpenCorporates, an information service aiming to build the largest non-proprietary database of the corporate world, collected over 50 million records of companies across 68 countries. Many countries still score low on open access to company data even when comprehensive public information policies are in place; Spain, Greece and Austria score zero points in an EU-wide

survey comparing free and open search, open licensing, availability of directors information, statutory filings etc.

The global economy is dominated by highly intertwined companies with complex ownership and control structures, which enables them to be “everywhere and nowhere”, making it difficult for stakeholders to understand governance structures. National company registries need to develop information sharing structures suitable for searching across jurisdictions, so that it only takes one click to get the full picture of a company wherever it is registered. This is one of the reasons why it is critical for the Hong Kong Company Registry to keep the full HKID number as identifier.

In preparing for the new Companies Ordinance, the Hong Kong Company registry might rethink its role in the global economy and embark on a real service innovation, not only providing a world-class public service in e-readiness but also in open data readiness.

Waltraut Ritter

8 March 2013