

Companies disclose their real owners to participate in Chile's procurement market as part of groundbreaking reform

 **BLOG** BY SOPHIE BROWN (<https://www.open-contracting.org/author/sbrown/>) / 4 NOV 2025



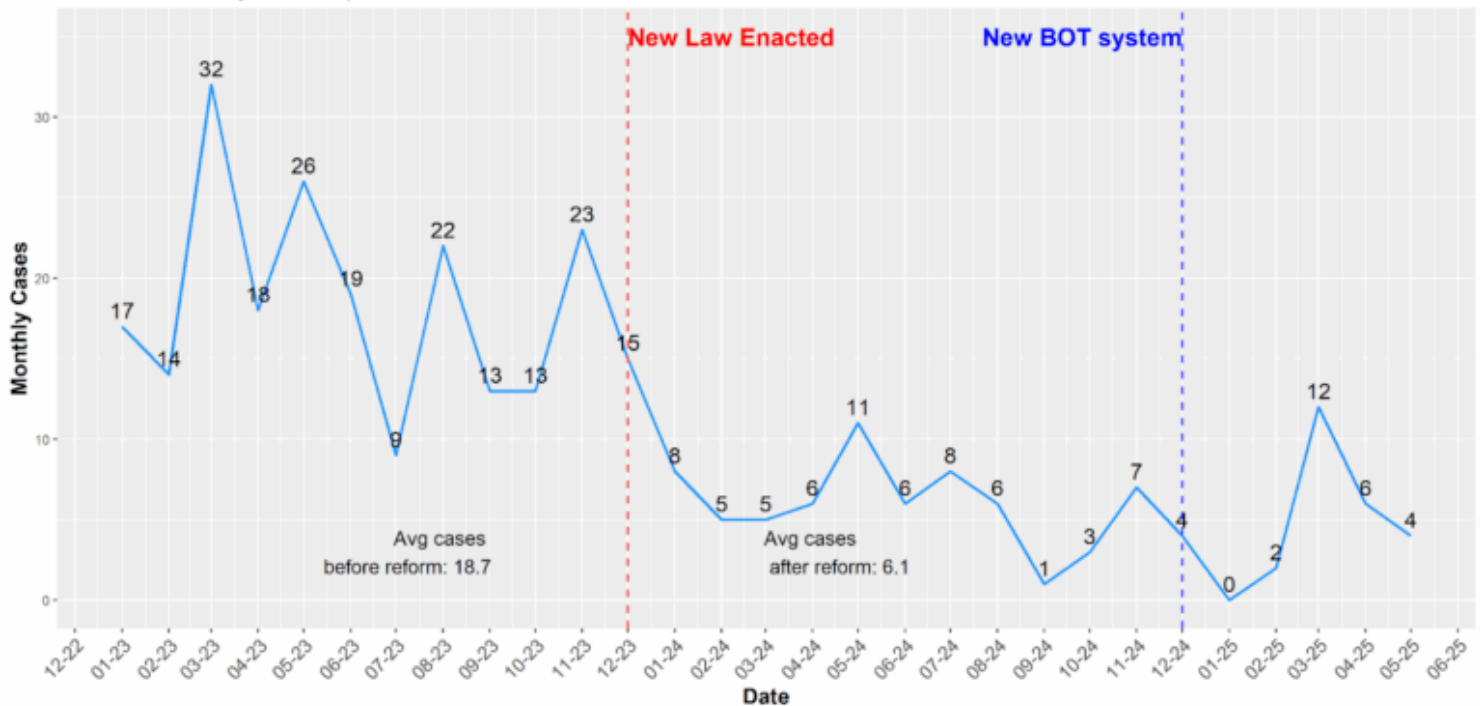
All private companies participating in Chile's public procurement market must now declare their real owners following a major legislative reform passed in December 2023.

The country's procurement agency ChileCompra is using the beneficial ownership data to detect potential ties between public sector officials and government suppliers. This data-driven oversight, combined with intensive awareness campaigns for buyers and companies, has led to promising early results. Conflicts of interest in procurement have dropped by 67%, from an average of 18.7 cases per month in the year before the reform to 6.1 in the 18-month period after the law changed, according to data analyzed by the ChileCompra Observatory, the public procurement agency's monitoring unit. This decline is particularly significant given that the definition of conflict of interest was broadened in the new law to include all public officials and their relatives, increasing the likelihood of detection.

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Monthly Detected Cases of Conflict of Interest Before and After the Public Procurement Reform

Source: The Observatory of ChileCompra



ChileCompra's Director Verónica Valle attributes the rapid uptake of the new measures to the fact they were tied to business incentives rather than relying entirely on legal sanctions for compliance. Any company can register with ChileCompra to stay informed of upcoming procurement opportunities, but only those who have submitted their ownership data are allowed to bid for or win contracts. Consequently, ChileCompra now has data on more than 185,000 beneficial owners and every supplier that participated in procurement this year disclosed its ownership information – representing over 1 million procurement procedures worth US\$13 billion from January to September 2025.

The broad training and communication campaigns (such as “[Stop Corruption](https://ayuda.mercadopublico.cl/iniciodenunciacservada/) (https://ayuda.mercadopublico.cl/iniciodenunciacservada/)”, “[Perfect Match](https://www.chilecompra.cl/como-vender-al-estado/) (https://www.chilecompra.cl/como-vender-al-estado/)”) that prepared stakeholders for the transformation also contributed to the reform's success, says Valle.

“For suppliers, we emphasized that transparency would create a fairer and more trustworthy marketplace where honest companies could compete on equal terms,” Valle explains.

“For buyers, we emphasized that the reform would reduce their risk exposure by providing reliable, up-to-date information about who really owns the companies they are dealing with. This allowed them to make safer procurement decisions, avoid reputational risks, and comply more easily with integrity rules. In short, the initiative would protect not only the system but also the individual public officials involved in procurement, giving them greater certainty and confidence in their work.”



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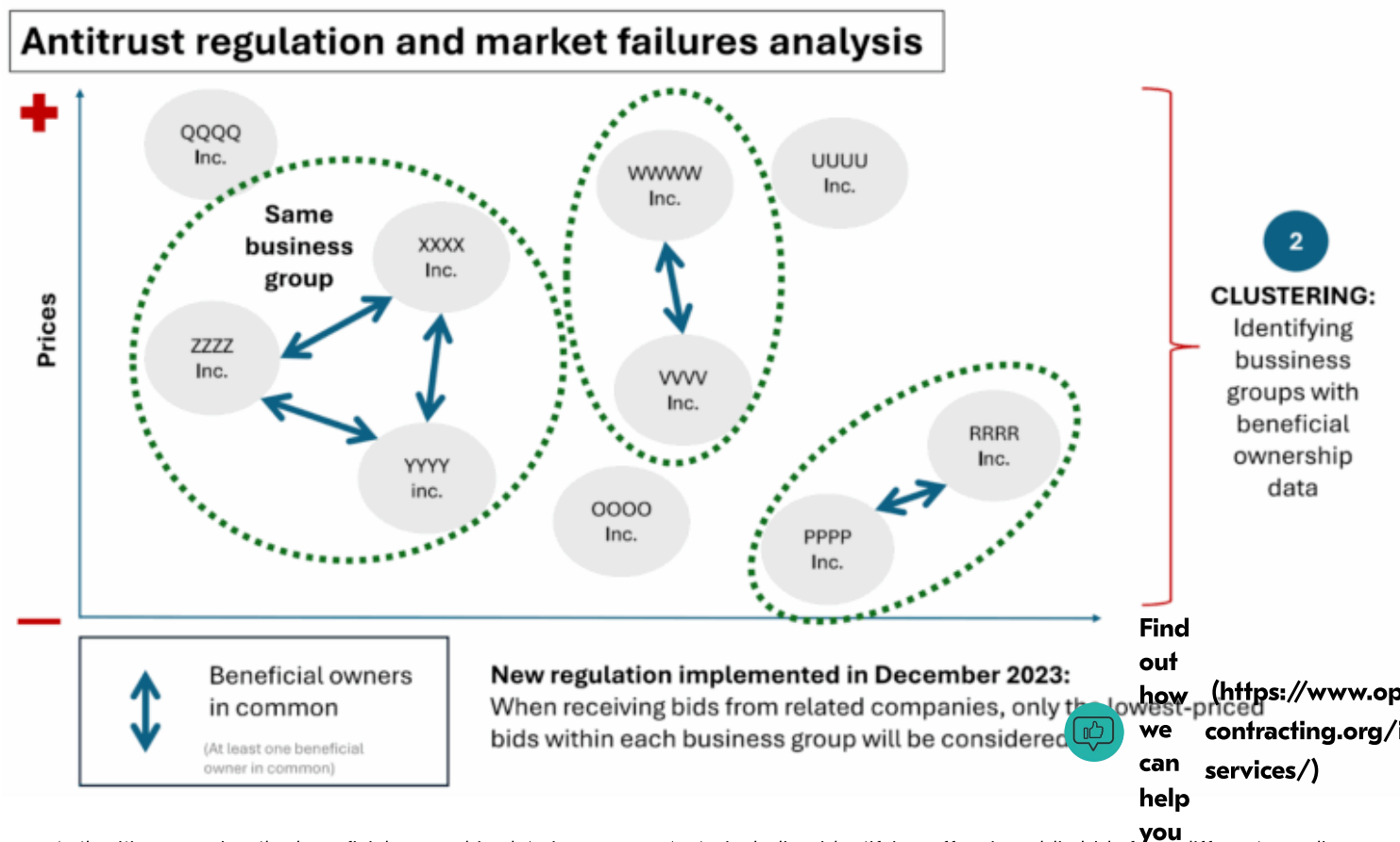


We emphasized that transparency would create a fairer and more trustworthy marketplace where honest companies could compete on equal terms.

Verónica Valle, Director ChileCompra

The conflict of interest reduction measures are part of a larger effort to modernize Chile’s procurement system, which was institutionalized in a major amendment to the procurement law that came into force in December 2023. The broader reform’s aims include expanding the coverage of the e-procurement system, curbing corruption and collusion, improving competition, and increasing the participation of small businesses (<https://datos-abiertos.chilecompra.cl/empresas-menor-tamano>). OCP supported the process through a series of workshops to guide the implementation and establish a monitoring and evaluation framework.

ChileCompra, the Comptroller-General, and the National Economic Prosecutor’s Office have full access to the beneficial ownership data from the procurement supplier registry, and are using it for a wide range of institutional purposes, including investigating economic crimes and non-competitive bidding practices.



Authorities are using the beneficial ownership data in many contexts, including identifying offers in public bids from different suppliers with at least one beneficial owner in common (Credit: ChileCompra Observatory, <https://drive.google.com/file/d/1fHaLJV8GUMP->

The public can access the data from a user-friendly supplier platform, with [search functions \(https://proveedor.mercadopublico.cl/busqueda\)](https://proveedor.mercadopublico.cl/busqueda), [supplier profiles \(https://proveedor.mercadopublico.cl/ficha/99.507.130-4\)](https://proveedor.mercadopublico.cl/ficha/99.507.130-4), [dashboards \(https://datos-abiertos.chilecompra.cl/\)](https://datos-abiertos.chilecompra.cl/) and bulk open data downloads.

Amounts transacted during the year

Review the breakdown and evolution of transaction amounts for selected government sectors. Remember that these amounts are taken from purchase orders issued by entities on www.mercadopublico.cl and represent commitments made by government agencies, not actual payments.

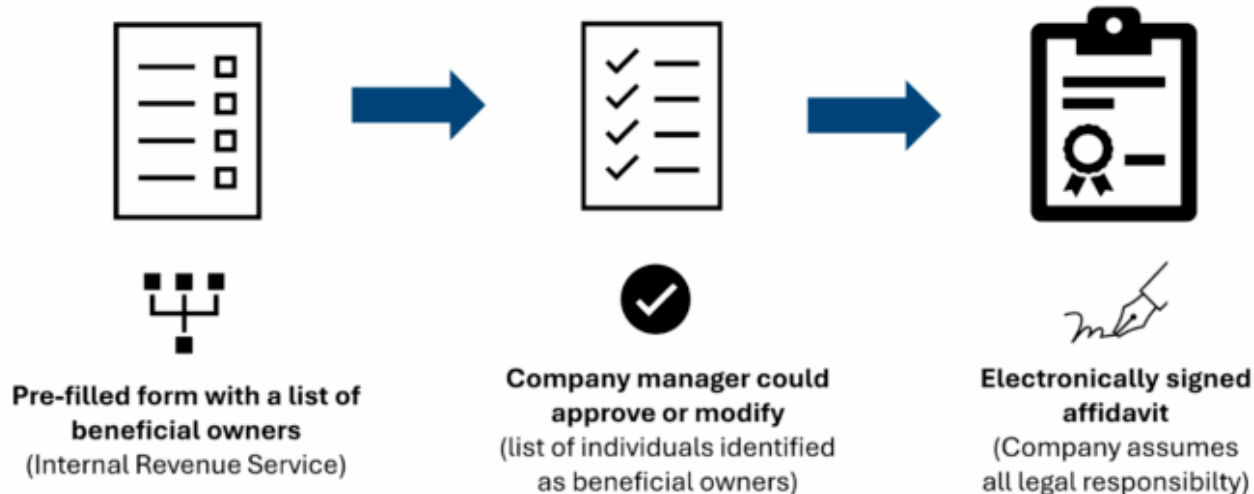


One of many user-friendly dashboards on ChileCompra's [Open Data platform \(https://datos-abiertos.chilecompra.cl/\)](https://datos-abiertos.chilecompra.cl/)

For suppliers, the data collection process is user-friendly too. Instead of entering their information manually in the supplier registry, companies are asked to verify the accuracy of beneficial ownership data already held by tax authorities, including names and ownership percentages of shareholders, the company's tax representative and their tax ID. The system requires suppliers to confirm this information before they are eligible to submit a bid, send a quote, or accept a purchase order.

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Public information on beneficial ownership



A major law firm that regularly represents large national and international companies told OCP that none of its clients – all of whom were required to disclose their beneficial owners – found the process to be an obstacle to doing business. In fact, larger companies, with more complex corporate structures that one might expect to face greater difficulties, reported no significant challenges. The law firm noted that among its top clients, who have access to free consultation hours with the legal team, none have used those hours for filing declarations, which could be taken as an indirect indicator that the process has been well-organized and non-obstructive.

The reform has not been without its challenges. It faced resistance from some large suppliers – including a few foreign ones – who initially refused to provide the required information, expecting preferential treatment from the administration, but ChileCompra held firm and many, but not all, soon complied.

Another potential limitation, according to an international beneficial ownership expert, is that ChileCompra only displays beneficial ownership information from various sources (that is, it does not manage a beneficial ownership registry) and the absence of a law regulating a comprehensive, national beneficial ownership register in Chile could put this progress at risk.

How conflicts of interest are detected

ChileCompra's Observatory measures conflicts of interest as:

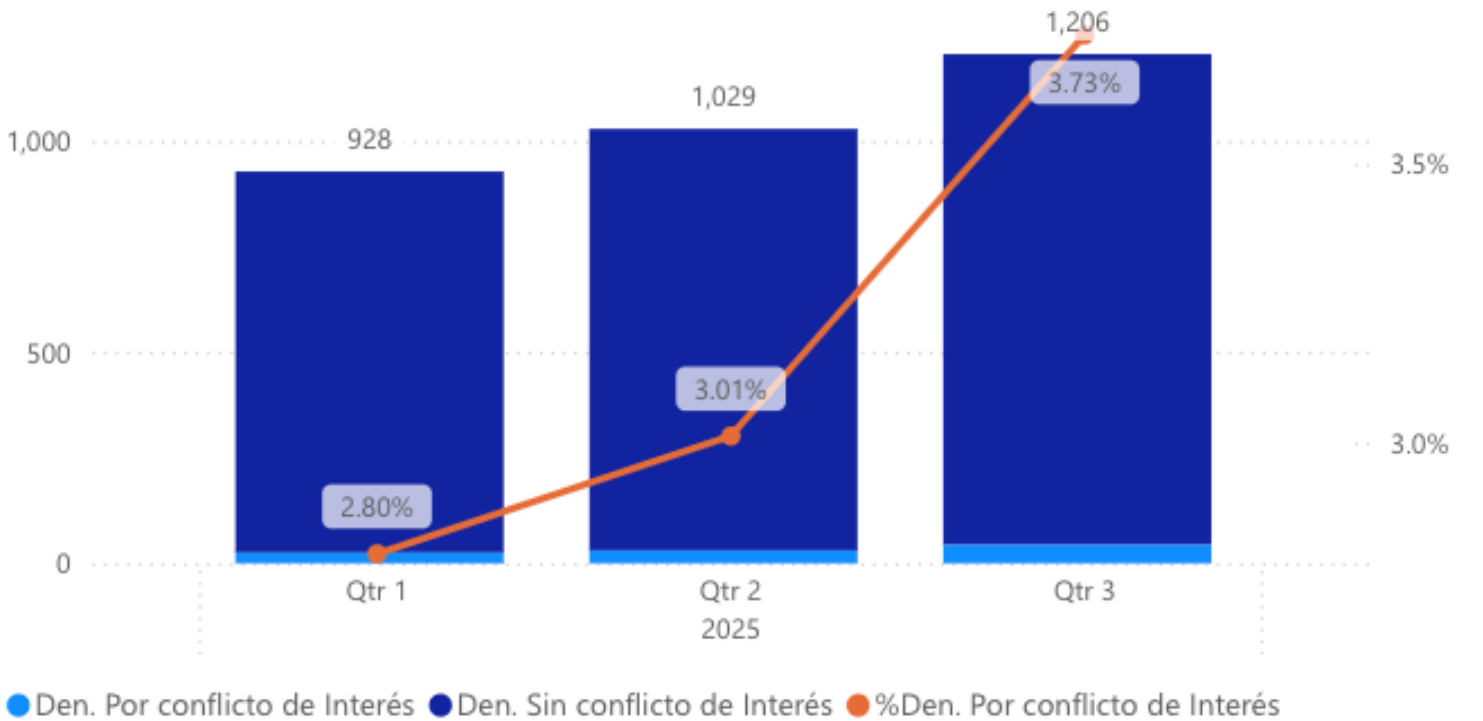
- Purchase orders issued to a supplier where one of the company's beneficial owners has an active user account with access to www.mercadopublico.cl (<http://www.mercadopublico.cl>) as a buyer within the same procurement entity.
- Tenders in which one or more members of the evaluation committee are beneficial owners of a bidding company.
- Tenders where those responsible for the procurement process, payment, or contract execution, are beneficial owners of the awarded supplier.

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When one of these conflicts of interest is detected in the system of ChileCompra's Observatory (the agency's monitoring unit), an email notification is sent to the procurement officer responsible for the procedure to provide a justification or take the necessary steps to properly manage the conflict. If the procuring entity fails to provide a satisfactory response or resolution within five business days, the case is assigned to an official from the Observatory to escalate to the relevant oversight bodies, such as the Comptroller-General's Office, as stipulated by the legal reform. All irregularities are reported publicly (<https://www.open-contracting.org/2024/11/04/el-observatorio-de-compras-visible-a-la-ciudadania-en-chile/>) on the Observatory's website (<https://www.chilecompra.cl/observatorio-de-compras-publicas/#1730747562233-685f7460-5f7e>) and social media (<https://x.com/ChileCompra/status/1879975417706422466>).

Another powerful tool for identifying conflicts of interest has been the whistleblower hotline—an innovation introduced by the recent reform of the Public Procurement Law. Through this confidential channel, the Observatory of ChileCompra has received more than seven thousand complaints between 2023 to 2025, 114 of which relate to conflicts of interest (<https://app.powerbi.com/view?r=eyJrljoiNDg1ZTMxMzMtZjA0My00MTc3LWJlMWYtMzEwODJkYzkyM2U3liwidCI6ImlwMGQ1ZjQ5LTk4YWMtNGJjNS1hMmM5LWNhZmRmNzEyMTZmMCIslmMiOjR9>). This mechanism has helped to strengthen oversight and reinforce a culture of accountability throughout the system. The sector with the largest number of complaints was public universities and education.

% Denuncias Conflicto de Interés



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Reports of conflicts of interest (light blue) as a proportion of all reports submitted to ChileCompra in 2025 to date (source: ChileCompra Power BI (<https://app.powerbi.com/view?r=eyJrljoiNDg1ZTMxMzMtZjA0My00MTc3LWJlMWYtMzEwODJkYzkyM2U3liwidCI6ImlwMGQ1ZjQ5LTk4YWMtNGJjNS1hMmM5LWNhZmRmNzEyMTZmMCIslmMiOjR9>))
<https://www.open-contracting.org/>

Buyers are now also obliged to report all communication and meetings with suppliers in the pre-bidding phase through the Mercado Público system. A new Market Inquiries module is designed for gathering industry information on prices, technical characteristics and other information that assists buyers to properly prepare a tender. The new legal provisions around conflicts of interest take into account challenges in small and remote areas where family ties between public servants and suppliers are common and can complicate the management of conflicts of interest. In such instances, when a procurer deems it unavoidable, awards are permitted with a justification and high-level approval.

Having public beneficial ownership information has implications beyond procurement as it is useful for investigating tax evasion, organized crime, terrorism financing and other systemic issues. Procurement offers a compelling case where the regular arguments against disclosing beneficial ownership data, such as privacy, are less relevant.

For other governments looking for a practical starting point to improve beneficial ownership transparency, Chile's experience serves as an example of how the business incentives that attract companies to the public procurement system can be leveraged effectively to improve integrity and oversight, even in large and international markets, in a way that is relatively straightforward to implement.

For more, read this case study (<https://www.open-contracting.org/resources/casestudy-bot-pp-chile/>) **on Chile's reform on beneficial ownership transparency in public procurement by OCP and Open Ownership.**

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Georg Neumann
9 Sep 2025



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