

United States Senate
WASHINGTON, DC 20510

May 5, 2021

Policy Division
Financial Crimes Enforcement Network
P.O. Box 39
Vienna, VA 22183

Re: FINCEN-2021-0005 and RIN 1506-AB49

To Whom It May Concern,

We write in response to the Financial Crimes Enforcement Network's (FinCEN) advance notice of proposed rulemaking regarding to the implementation of the Corporate Transparency Act (CTA), enacted into law as part of the National Defense Authorization Act for Fiscal Year 2021. As a bipartisan group of senators, we encourage FinCEN to implement a strong, efficient, and effective system that respects congressional intent.

The passage of the CTA marked the culmination of a years-long effort in Congress to combat money laundering, international corruption, and kleptocracy by requiring certain companies to disclose their beneficial owners to law enforcement, national security officials, and financial institutions with customer due diligence obligations. During that time, Congress held numerous hearings across a host of committees,¹ sought input from key stakeholders, worked with officials from both the Obama and Trump administrations, and considered multiple pieces of related legislation and models from other nations.²

In crafting the CTA, Congress negotiated many complex policy issues, including what information would be reported, how that information would be collected, and who would have access to it. We and other drafters of this law sought to strike the proper balance between collecting accurate and useful information and not overburdening businesses with compliance

¹ *Beneficial Ownership: Fighting Illicit International Financial Networks Through Transparency: Hearing before the Senate Judiciary Comm.*, 115th Cong. (2018); *Combating Kleptocracy: Beneficial Ownership, Money Laundering, and Other Reforms Hearing before the Senate Judiciary Comm.*, 116th Cong. (2019); *Combating Illicit Financing By Anonymous Shell Companies Through the Collection of Beneficial Ownership Information: Hearing before the Senate Comm. on Banking, Housing, and Urban Affairs*, 116th Cong. (2019); *Outside Perspectives on the Collection of Beneficial Ownership Information: Hearing before the Senate Comm. on Banking, Housing, and Urban Affairs*, 116th Cong. (2019); and *Combating Kleptocracy with Incorporation Transparency: Hearing before the Commission on Security and Cooperation in Europe*, 115th Cong. (2017).

² See TITLE Act, S. 1889, 116th Cong. (2019); Corporate Transparency Act, S. 1978, 116th Cong. (2019); Illicit Cash Act, S. 2563, 116th Cong. (2019).

obligations. In the end, the CTA also received strong support from a vast and diverse stakeholder coalition, including law enforcement, national security experts, the business community, the real estate community, the financial sector, and non-governmental organizations.³

In light of the broad support for the CTA, we urge FinCEN to take all steps to ensure that the beneficial collection system reflects Congress's intent that the system produce high-quality data and that authorized users have timely access to that data. To achieve this, FinCEN should be mindful not to leave loopholes that could dilute the quality of the information collected or allow bad actors to evade reporting. Additionally, the information is only useful if authorized users are able to efficiently access the data. As such, FinCEN should ensure that authorized users, including law enforcement and national security officials, and financial institutions with customer consent, have early, timely, and full access to beneficial ownership information. The access procedures should build on existing protocols and those provided for in the legislation and should avoid creating redundant hurdles that would unnecessarily delay access.

In short, the CTA is the product of a sensitive and painstaking legislative process, and its passage represents perhaps the most important anti-money laundering reform of the past decade. Despite the legislative success, this achievement can only be realized if the system works in practice. As such, we encourage FinCEN to implement a straightforward, efficient, and effective system and to do so promptly.

Sincerely,



SHELDON WHITEHOUSE
United States Senator



CHUCK GRASSLEY
United States Senator



RON WYDEN
United States Senator



MARCO RUBIO
United States Senator

³ See Letter from 127 Organizations in Support of Beneficial Ownership Legislation (June 10, 2020), <https://127-Group-Letter-Endorsing-Corporate-Transparency-Act-20190610-FINAL.pdf>. See also, Letter from State Attorneys General (June 30, 2020) <http://NAAG-Support-of-ILLICIT-CASH-Act-20200630-1.pdf>; Letter from National Security Experts (July 20, 2020), <https://National-Security-and-Foreign-Policy-Experts-.pdf>; U.S. Chamber of Commerce Support Letter (June 30, 2020), <https://Chamber.Letter.pdf>; Real Estate Support Letter (Oct. 16, 2020), <https://Real-Estate-Associations-Beneficial-Ownership-Letter-t.pdf>; Bank Trade Group Letter (June 27, 2020), <https://bank-trade-groups-AML-Letter.pdf>; International Non-Governmental Organization Letter (June 29, 2020), https://INGOs-letter-on-beneficial-ownership_29JUN2020.pdf