To ensure that persons who form corporations or limited liability companies in the United States disclose the beneficial owners of those corporations or limited liability companies, in order to prevent wrongdoers from exploiting United States corporations and limited liability companies for criminal gain, to assist law enforcement in detecting, preventing, and punishing terrorism, money laundering, and other misconduct involving United States corporations and limited liability companies, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 3, 2019

Mrs. CAROLYN B. MALONEY of New York (for herself, Mr. KING of New York, and Mr. MALINOWSKI) introduced the following bill; which was referred to the Committee on Financial Services

OCTOBER 8, 2019

Additional sponsors: Mr. BEYER, Mr. COOPER, Mr. HASTINGS, Mr. MEEKS, Mr. CLEAVER, Ms. KAPTUR, Ms. BLUNT ROCHESTER, and Mr. SHERMAN

OCTOBER 8, 2019

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on May 3, 2019]
A BILL

To ensure that persons who form corporations or limited liability companies in the United States disclose the beneficial owners of those corporations or limited liability companies, in order to prevent wrongdoers from exploiting United States corporations and limited liability companies for criminal gain, to assist law enforcement in detecting, preventing, and punishing terrorism, money laundering, and other misconduct involving United States corporations and limited liability companies, and for other purposes.
Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.  
This Act may be cited as the “Corporate Transparency 
Act of 2019”.

SEC. 2. FINDINGS.  
Congress finds the following:

(1) Nearly 2,000,000 corporations and limited li-
ability companies are being formed under the laws of 
the States each year.

(2) Very few States require information about 
the beneficial owners of the corporations and limited 
liability companies formed under their laws.

(3) A person forming a corporation or limited li-
ability company within the United States typically 
provides less information at the time of incorporation 
than is needed to obtain a bank account or driver’s 
license and typically does not name a single bene-

(4) Criminals have exploited State formation 
procedures to conceal their identities when forming 
corporations or limited liability companies in the 
United States, and have then used the newly created 
entities to commit crimes affecting interstate and 
international commerce such as terrorism, prolifera-
tion financing, drug and human trafficking, money laundering, tax evasion, counterfeiting, piracy, securities fraud, financial fraud, and acts of foreign corruption.

(5) Law enforcement efforts to investigate corporations and limited liability companies suspected of committing crimes have been impeded by the lack of available beneficial ownership information, as documented in reports and testimony by officials from the Department of Justice, the Department of Homeland Security, the Department of the Treasury, and the Government Accountability Office, and others.

(6) In July 2006, the leading international antiterrorism drug and financial action task force force, the Financial Action Task Force on Money Laundering (in this section referred to as the “FATF”), of which the United States is a member, issued a report that criticizes the United States for failing to comply with a FATF standard on the need to collect beneficial ownership information and urged the United States to correct this deficiency by July 2008. In December 2016, FATF issued another evaluation of the United States, which found that little progress has been made over the last ten years to address this problem. It identified the “lack of timely access to adequate, accu-
rate and current beneficial ownership information” as a fundamental gap in United States efforts to combat money laundering and terrorist finance.

(7) In response to the 2006 FATF report, the United States has urged the States to obtain beneficial ownership information for the corporations and limited liability companies formed under the laws of such States.

(8) In contrast to practices in the United States, all 28 countries in the European Union are required to have corporate registries that include beneficial ownership information.

(9) To reduce the vulnerability of the United States to wrongdoing by United States corporations and limited liability companies with hidden owners, to protect interstate and international commerce from criminals misusing United States corporations and limited liability companies, to strengthen law enforcement investigations of suspect corporations and limited liability companies, to set a clear, universal standard for State incorporation practices, and to bring the United States into compliance with international anti-money laundering standards, Federal legislation is needed to require the collection of beneficial ownership information for the corporations and
limited liability companies formed under the laws of such States.

SEC. 3. TRANSPARENT INCORPORATION PRACTICES.

(a) IN GENERAL.—

(1) AMENDMENT TO THE BANK SECRECY ACT.—

Chapter 53 of title 31, United States Code, is amended by inserting after section 5332 the following new section:

“§ 5333 Transparent incorporation practices

“(a) REPORTING REQUIREMENTS.—

“(1) BENEFICIAL OWNERSHIP REPORTING.—

“(A) IN GENERAL.—Each applicant to form a corporation or limited liability company under the laws of a State or Indian Tribe shall file a report with FinCEN containing a list of the beneficial owners of the corporation or limited liability company that—

“(i) except as provided in paragraphs (3) and (4), and subject to paragraph (2), identifies each beneficial owner by—

“(I) full legal name;

“(II) date of birth;

“(III) current residential or business street address; and
“(IV) a unique identifying number from a non-expired passport issued by the United States, a non-expired personal identification card, or a non-expired driver’s license issued by a State; and

“(ii) if the applicant is not a beneficial owner, also provides the identification information described in clause (i) relating to such applicant.

“(B) UPDATED INFORMATION.—Each corporation or limited liability company formed under the laws of a State or Indian Tribe shall—

“(i) submit to FinCEN an annual filing containing a list of—

“(I) the current beneficial owners of the corporation or limited liability company and the information described in subparagraph (A) for each such beneficial owner; and

“(II) any changes in the beneficial owners of the corporation or limited liability company during the previous year; and
“(ii) pursuant to any rule issued by
the Secretary of the Treasury under sub-
paragraph (C), update the list of the bene-
ficial owners of the corporation or limited
liability company within the time period
prescribed by such rule.

“(C) RULEMAKING ON UPDATING INFORMATION.—Not later than 9 months after the comple-
tion of the study required under section 4(a)(1)
of the Corporate Transparency Act of 2019, the
Secretary of the Treasury shall consider the find-
ings of such study and, if the Secretary deter-
mines it to be necessary or appropriate, issue a
rule requiring corporations and limited liability
companies to update the list of the beneficial
owners of the corporation or limited liability
company within a specified amount of time after
the date of any change in the list of beneficial
owners or the information required to be pro-
vided relating to each beneficial owner.

“(D) STATE NOTIFICATION.—Each State in
which a corporation or limited liability com-
pany is being formed shall notify each applicant
of the requirements listed in subparagraphs (A)
and (B).
“(2)Certain beneficial owners.—If an applicant to form a corporation or limited liability company or a beneficial owner, or similar agent of a corporation or limited liability company who is required to provide identification information under this subsection, does not have a nonexpired passport issued by the United States, a nonexpired personal identification card, or a non-expired driver’s license issued by a State, each such person shall provide to FinCEN the full legal name, current residential or business street address, a unique identifying number from a non-expired passport issued by a foreign government, and a legible and credible copy of the pages of a non-expired passport issued by the government of a foreign country bearing a photograph, date of birth, and unique identifying information for each beneficial owner, and each application described in paragraph (1)(A) and each update described in paragraph (1)(B) shall include a written certification by a person residing in the State or Indian country under the jurisdiction of the Indian Tribe forming the entity that the applicant, corporation, or limited liability company—

“(A) has obtained for each such beneficial owner, a current residential or business street
address and a legible and credible copy of the pages of a non-expired passport issued by the government of a foreign country bearing a photograph, date of birth, and unique identifying information for the person;

“(B) has verified the full legal name, address, and identity of each such person;

“(C) will provide the information described in subparagraph (A) and the proof of verification described in subparagraph (B) upon request of FinCEN; and

“(D) will retain the information and proof of verification under this paragraph until the end of the 5-year period beginning on the date that the corporation or limited liability company terminates under the laws of the State or Indian Tribe.

“(3) Exempt entities.—

“(A) In general.—With respect to an applicant to form a corporation or limited liability company under the laws of a State or Indian Tribe, if such entity is described in subparagraph (C) or (D) of subsection (d)(4) and will be exempt from the beneficial ownership disclosure requirements under this subsection, such appli-
...cant, or a prospective officer, director, or similar agent of the applicant, shall file a written certification with FinCEN—

“(i) identifying the specific provision of subsection (d)(4) under which the entity proposed to be formed would be exempt from the beneficial ownership disclosure requirements under paragraphs (1) and (2);

“(ii) stating that the entity proposed to be formed meets the requirements for an entity described under such provision of subsection (d)(4); and

“(iii) providing identification information for the applicant or prospective officer, director, or similar agent making the certification in the same manner as provided under paragraph (1) or (2).

“(B) Existing Corporations or Limited Liability Companies.—On and after the date that is 2 years after the final regulations are issued to carry out this section, a corporation or limited liability company formed under the laws of the State or Indian Tribe before such date shall be subject to the requirements of this subsection unless an officer, director, or similar...
agent of the entity submits to FinCEN a written certification—

“(i) identifying the specific provision of subsection (d)(4) under which the entity is exempt from the requirements under paragraphs (1) and (2);

“(ii) stating that the entity meets the requirements for an entity described under such provision of subsection (d)(4); and

“(iii) providing identification information for the officer, director, or similar agent making the certification in the same manner as provided under paragraph (1) or (2).

“(C) EXEMPT ENTITIES HAVING OWNERSHIP INTEREST.—If an entity described in subparagraph (C) or (D) of subsection (d)(4) has or will have an ownership interest in a corporation or limited liability company formed or to be formed under the laws of a State or Indian Tribe, the applicant, corporation, or limited liability company in which the entity has or will have the ownership interest shall provide the information required under this subsection relating to the entity, except that the entity shall not be required
to provide information regarding any natural person who has an ownership interest in, exercises substantial control over, or receives substantial economic benefits from the entity.

“(4) FINCEN ID NUMBERS.—

“(A) ISSUANCE OF FINCEN ID NUMBER.—

“(i) IN GENERAL.—FinCEN shall issue a FinCEN ID number to any individual who requests such a number and provides FinCEN with the information described under subclauses (I) through (IV) of paragraph (1)(A)(i).

“(ii) UPDATING OF INFORMATION.—An individual with a FinCEN ID number shall submit an annual filing with FinCEN updating any information described under subclauses (I) through (IV) of paragraph (1)(A)(i).

“(B) USE OF FINCEN ID NUMBER IN REPORTING REQUIREMENTS.—Any person required to report the information described under paragraph (1)(A)(i) with respect to an individual may instead report the FinCEN ID number of the individual.
“(C) Treatment of information submitted for FinCEN ID number.—For purposes of this section, any information submitted under subparagraph (A) shall be deemed to be beneficial ownership information.

“(5) Retention and disclosure of beneficial ownership information by FinCEN.—

“(A) Retention of information.—Beneficial ownership information relating to each corporation or limited liability company formed under the laws of the State or Indian Tribe shall be maintained by FinCEN until the end of the 5-year period (or such other period of time as the Secretary of the Treasury may, by rule, determine) beginning on the date that the corporation or limited liability company terminates.

“(B) Disclosure of information.—Beneficial ownership information reported to FinCEN pursuant to this section shall be provided by FinCEN only upon receipt of—

“(i) subject to subparagraph (C), a request, through appropriate protocols, by a local, Tribal, State, or Federal law enforcement agency;
“(ii) a request made by a Federal agency on behalf of a law enforcement agency of another country under an international treaty, agreement, or convention, or an order under section 3512 of title 18 or section 1782 of title 28; or

“(iii) a request made by a financial institution, with customer consent, as part of the institution’s compliance with due diligence requirements imposed under the Bank Secrecy Act, the USA PATRIOT Act, or other applicable Federal, State, or Tribal law.

“(C) APPROPRIATE PROTOCOLS.—

“(i) PRIVACY.—The protocols described in subparagraph (B)(i) shall—

“(I) protect the privacy of any beneficial ownership information provided by FinCEN to a local, Tribal, State, or Federal law enforcement agency;

“(II) ensure that a local, Tribal, State, or Federal law enforcement agency requesting beneficial ownership information has an existing investiga-
latory basis for requesting such information;

“(III) ensure that access to beneficial ownership information is limited to authorized users at a local, Tribal, State, or Federal law enforcement agency who have undergone appropriate training, and that the identity of such authorized users is verified through appropriate mechanisms, such as two-factor authentication;

“(IV) include an audit trail of requests for beneficial ownership information by a local, Tribal, State, or Federal law enforcement agency, including, as necessary, information concerning queries made by authorized users at a local, Tribal, State, or Federal law enforcement agency;

“(V) require that every local, Tribal, State, or Federal law enforcement agency that receives beneficial ownership information from FinCEN conducts an annual audit to verify that the beneficial ownership informa-
tion received from FinCEN has been accessed and used appropriately, and consistent with this paragraph; and

“(VI) require FinCEN to conduct an annual audit of every local, Tribal, State, or Federal law enforcement agency that has received beneficial ownership information to ensure that such agency has requested beneficial ownership information, and has used any beneficial ownership information received from FinCEN, appropriately, and consistent with this paragraph.

“(ii) LIMITATION ON USE.—Beneficial ownership information provided to a local, Tribal, State, or Federal law enforcement agency under this paragraph may only be used for law enforcement, national security, or intelligence purposes.

“(b) No Bearer Share CORPORATIONS OR LIMITED LIABILITY COMPANIES.—A corporation or limited liability company formed under the laws of a State or Indian Tribe may not issue a certificate in bearer form evidencing either a whole or fractional interest in the corporation or limited liability company.
“(c) Penalties.—

“(1) In General.—It shall be unlawful for any person to affect interstate or foreign commerce by—

“(A) knowingly providing, or attempting to provide, false or fraudulent beneficial ownership information, including a false or fraudulent identifying photograph, to FinCEN in accordance with this section;

“(B) willfully failing to provide complete or updated beneficial ownership information to FinCEN in accordance with this section; or

“(C) knowingly disclosing the existence of a subpoena or other request for beneficial ownership information reported pursuant to this section, except—

“(i) to the extent necessary to fulfill the authorized request; or

“(ii) as authorized by the entity that issued the subpoena, or other request.

“(2) Civil and Criminal Penalties.—Any person who violates paragraph (1)—

“(A) shall be liable to the United States for a civil penalty of not more than $10,000; and
“(B) may be fined under title 18, United States Code, imprisoned for not more than 3 years, or both.

“(3) LIMITATION.—Any person who negligently violates paragraph (1) shall not be subject to civil or criminal penalties under paragraph (2).

“(4) WAIVER.—The Secretary of the Treasury may waive the penalty for violating paragraph (1) if the Secretary determines that the violation was due to reasonable cause and was not due to willful neglect.

“(5) CRIMINAL PENALTY FOR THE MISUSE OR UNAUTHORIZED DISCLOSURE OF BENEFICIAL OWNERSHIP INFORMATION.—The criminal penalties provided for under section 5322 shall apply to a violation of this section to the same extent as such criminal penalties apply to a violation described in section 5322, if the violation of this section consists of the misuse or unauthorized disclosure of beneficial ownership information.

“(d) DEFINITIONS.—For the purposes of this section:

“(1) APPLICANT.—The term ‘applicant’ means any natural person who files an application to form a corporation or limited liability company under the laws of a State or Indian Tribe.
“(2) BANK SECRECY ACT.—The term ‘Bank Secrecy Act’ means—

“(A) section 21 of the Federal Deposit Insurance Act;

“(B) chapter 2 of title I of Public Law 91–508; and

“(C) this subchapter.

“(3) BENEFICIAL OWNER.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the term ‘beneficial owner’ means a natural person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise—

“(i) exercises substantial control over a corporation or limited liability company;

“(ii) owns 25 percent or more of the equity interests of a corporation or limited liability company; or

“(iii) receives substantial economic benefits from the assets of a corporation or limited liability company.

“(B) EXCEPTIONS.—The term ‘beneficial owner’ shall not include—
“(i) a minor child, as defined in the State or Indian Tribe in which the entity is formed;

“(ii) a person acting as a nominee, intermediary, custodian, or agent on behalf of another person;

“(iii) a person acting solely as an employee of a corporation or limited liability company and whose control over or economic benefits from the corporation or limited liability company derives solely from the employment status of the person;

“(iv) a person whose only interest in a corporation or limited liability company is through a right of inheritance; or

“(v) a creditor of a corporation or limited liability company, unless the creditor also meets the requirements of subparagraph (A).

“(C) SUBSTANTIAL ECONOMIC BENEFITS DEFINED.—

“(i) IN GENERAL.—For purposes of subparagraph (A)(ii), a natural person receives substantial economic benefits from the assets of a corporation or limited liability
company if the person has an entitlement to more than a specified percentage of the funds or assets of the corporation or limited liability company, which the Secretary of the Treasury shall, by rule, establish.

“(ii) RULEMAKING CRITERIA.—In establishing the percentage under clause (i), the Secretary of the Treasury shall seek to—

“(I) provide clarity to corporations and limited liability companies with respect to the identification and disclosure of a natural person who receives substantial economic benefits from the assets of a corporation or limited liability company; and

“(II) identify those natural persons who, as a result of the substantial economic benefits they receive from the assets of a corporation or limited liability company, exercise a dominant influence over such corporation or limited liability company.

“(4) CORPORATION; LIMITED LIABILITY COMPANY.—The terms ‘corporation’ and ‘limited liability company’—
“(A) have the meanings given such terms under the laws of the applicable State or Indian Tribe;

“(B) include any non-United States entity eligible for registration or registered to do business as a corporation or limited liability company under the laws of the applicable State or Indian Tribe;

“(C) do not include any entity that is—

“(i) a business concern that is an issuer of a class of securities registered under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 781) or that is required to file reports under section 15(d) of that Act (15 U.S.C. 78o(d));

“(ii) a business concern constituted, sponsored, or chartered by a State or Indian Tribe, a political subdivision of a State or Indian Tribe, under an interstate compact between two or more States, by a department or agency of the United States, or under the laws of the United States;

“(iii) a depository institution (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813));
“(iv) a credit union (as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752));

“(v) a bank holding company (as defined in section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841)) or a savings and loan holding company (as defined in section 10(a) of the Home Owners’ Loan Act (12 U.S.C. 1467a(a));


“(vii) an exchange or clearing agency (as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c)) that is registered under section 6 or 17A of the Securities Exchange Act of 1934 (15 U.S.C. 78f and 78q–1);

“(viii) an investment company (as defined in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a–3)) or an investment adviser (as defined in section 202(11) of the Investment Advisers Act of
1940 (15 U.S.C. 80b–2(11)), if the company or adviser is registered with the Securities and Exchange Commission, has filed an application for registration which has not been denied, under the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.) or the Investment Adviser Act of 1940 (15 U.S.C. 80b–1 et seq.), or is an investment adviser described under section 203(l) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3(l));

“(ix) an insurance company (as defined in section 2 of the Investment Company Act of 1940 (15 U.S.C. 80a–2));

“(x) a registered entity (as defined in section 1a of the Commodity Exchange Act (7 U.S.C. 1a)), or a futures commission merchant, introducing broker, commodity pool operator, or commodity trading advisor (as defined in section 1a of the Commodity Exchange Act (7 U.S.C. 1a)) that is registered with the Commodity Futures Trading Commission;

“(xi) a public accounting firm registered in accordance with section 102 of the
Sarbanes-Oxley Act (15 U.S.C. 7212) or an entity controlling, controlled by, or under common control of such a firm;

“(xii) a public utility that provides telecommunications service, electrical power, natural gas, or water and sewer services, within the United States;

“(xiii) a church, charity, nonprofit entity, or other organization that is described in section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code of 1986, that has not been denied tax exempt status, and that has filed the most recently due annual information return with the Internal Revenue Service, if required to file such a return;

“(xiv) a financial market utility designated by the Financial Stability Oversight Council under section 804 of the Dodd-Frank Wall Street Reform and Consumer Protection Act;

“(xv) an insurance producer (as defined in section 334 of the Gramm-Leach-Bliley Act);

“(xvi) any business concern that—
“(I) employs more than 20 employees on a full-time basis in the United States;

“(II) files income tax returns in the United States demonstrating more than $5,000,000 in gross receipts or sales; and

“(III) has an operating presence at a physical office within the United States; or

“(xvii) any corporation or limited liability company formed and owned by an entity described in this clause or in clause (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), or (xvi); and

“(D) do not include any individual business concern or class of business concerns which the Secretary of the Treasury and the Attorney General of the United States have jointly determined, by rule of otherwise, to be exempt from the requirements of subsection (a), if the Secretary and the Attorney General jointly determine that requiring beneficial ownership information from the business concern would not
serve the public interest and would not assist law
enforcement efforts to detect, prevent, or pros-
ecute terrorism, money laundering, tax evasion,
or other misconduct.

“(5) FinCEN.—The term ‘FinCEN’ means the
Financial Crimes Enforcement Network of the De-
partment of the Treasury.

“(6) Indian Country.—The term ‘Indian coun-
try’ has the meaning given that term in section 1151
of title 18.

“(7) Indian Tribe.—The term ‘Indian Tribe’
has the meaning given that term under section 102 of
the Federally Recognized Indian Tribe List Act of
1994.

“(8) Personal Identification Card.—The
term ‘personal identification card’ means an identi-
fication document issued by a State, Indian Tribe, or
local government to an individual solely for the pur-
pose of identification of that individual.

“(9) State.—The term ‘State’ means any State,
commonwealth, territory, or possession of the United
States, the District of Columbia, the Commonwealth
of Puerto Rico, the Commonwealth of the Northern
Mariana Islands, American Samoa, Guam, or the
United States Virgin Islands.”
(2) Rulemaking.—

(A) In general.—Not later than 1 year after the date of enactment of this Act, the Secretary of the Treasury shall issue regulations to carry out this Act and the amendments made by this Act, including, to the extent necessary, to clarify the definitions in section 5333(d) of title 31, United States Code.

(B) Revision of final rule.—Not later than 1 year after the date of enactment of this Act, the Secretary of the Treasury shall revise the final rule titled “Customer Due Diligence Requirements for Financial Institutions” (May 11, 2016; 81 Fed. Reg. 29397) to—

(i) bring the rule into conformance with this Act and the amendments made by this Act;

(ii) account for financial institutions’ access to comprehensive beneficial ownership information filed by corporations and limited liability companies, under threat of civil and criminal penalties, under this Act and the amendments made by this Act; and

(iii) reduce any burdens on financial institutions that are, in light of the enact-
ment of this Act and the amendments made
by this Act, unnecessary or duplicative.

(3) Conforming Amendments.—Title 31, United States Code, is amended—

(A) in section 5321(a)—

(i) in paragraph (1), by striking “sections 5314 and 5315” each place it appears
and inserting “sections 5314, 5315, and 5333”; and

(ii) in paragraph (6), by inserting
“(except section 5333)” after “subchapter”
each place it appears; and

(B) in section 5322, by striking “section
5315 or 5324” each place it appears and insert-
ing “section 5315, 5324, or 5333”.

(4) Table of Contents.—The table of contents
of chapter 53 of title 31, United States Code, is
amended by inserting after the item relating to sec-
tion 5332 the following:

“5333. Transparent incorporation practices.”.

(b) Funding Authorization.—

(1) In General.—To carry out section 5333 of
title 31, United States Code, as added by subsection
(a), funds shall be made available to the Financial
Crimes Enforcement Network (in this subsection re-
ferred to as “FinCEN”) to pay reasonable costs relat-
ing to compliance with the requirements of such sec-

tion.

(2) FUNDING SOURCES.—Funds shall be pro-

gvided to FinCEN to carry out the purposes described

in paragraph (1) from one or more of the following

sources:

(A) Upon application by FinCEN, and

without further appropriation, the Secretary of

the Treasury shall make available to the

FinCEN unobligated balances described in sec-

tion 9703(g)(4)(B) of title 31, United States

Code, in the Department of the Treasury For-

feiture Fund established under section 9703(a) of

title 31, United States Code.

(B) Upon application by FinCEN, after

consultation with the Secretary of the Treasury,

and without further appropriation, the Attorney

General of the United States shall make avail-

able to FinCEN excess unobligated balances (as

defined in section 524(c)(8)(D) of title 28,

United States Code) in the Department of Jus-

tice Assets Forfeiture Fund established under sec-

tion 524(c) of title 28, United States Code.

(3) MAXIMUM AMOUNTS.—
(A) **DEPARTMENT OF THE TREASURY.**—The Secretary of the Treasury may not make available to FinCEN a total of more than $30,000,000 under paragraph (2)(A).

(B) **DEPARTMENT OF JUSTICE.**—The Attorney General of the United States may not make available to FinCEN a total of more than $10,000,000 under paragraph (2)(B).

(c) **FEDERAL CONTRACTORS.**—Not later than the first day of the first full fiscal year beginning at least 1 year after the date of the enactment of this Act, the Administrator for Federal Procurement Policy shall revise the Federal Acquisition Regulation maintained under section 1303(a)(1) of title 41, United States Code, to require any contractor or subcontractor who is subject to the requirement to disclose beneficial ownership information under section 5333 of title 31, United States Code, to provide the information required to be disclosed under such section to the Federal Government as part of any bid or proposal for a contract with a value threshold in excess of the simplified acquisition threshold under section 134 of title 41, United States Code.

**SEC. 4. STUDIES AND REPORTS.**

(a) **UPDATING OF BENEFICIAL OWNERSHIP INFORMATION.**—
(1) STUDY.—The Secretary of the Treasury, in consultation with the Attorney General of the United States, shall conduct a study to evaluate—

(A) the necessity of a requirement for corporations and limited liability companies to update the list of their beneficial owners within a specified amount of time after the date of any change in the list of beneficial owners or the information required to be provided relating to each beneficial owner, taking into account the annual filings required under section 5333(a)(1)(B)(i) of title 31, United States Code, and the information contained in such annual filings; and

(B) the burden that a requirement to update the list of beneficial owners within a specified period of time after a change in such list of beneficial owners would impose on corporations and limited liability companies.

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of the Treasury shall submit a report on the study required under paragraph (1) to the Committee on Financial Services of the House of Representatives and the Com-
mittee on Banking, Housing, and Urban Affairs of the Senate

(3) **PUBLIC COMMENT.**—The Secretary of the Treasury shall seek and consider public input, comments, and data in order to conduct the study required under subparagraph paragraph (1).

(b) **OTHER LEGAL ENTITIES.**—Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall conduct a study and submit to the Congress a report—

(1) identifying each State or Indian Tribe that has procedures that enable persons to form or register under the laws of the State or Indian Tribe partnerships, trusts, or other legal entities, and the nature of those procedures;

(2) identifying each State or Indian Tribe that requires persons seeking to form or register partnerships, trusts, or other legal entities under the laws of the State or Indian Tribe to provide information about the beneficial owners (as that term is defined in section 5333(d)(1) of title 31, United States Code, as added by this Act) or beneficiaries of such entities, and the nature of the required information;
(3) evaluating whether the lack of available beneficial ownership information for partnerships, trusts, or other legal entities—

(A) raises concerns about the involvement of such entities in terrorism, money laundering, tax evasion, securities fraud, or other misconduct;

(B) has impeded investigations into entities suspected of such misconduct; and

(C) increases the costs to financial institutions of complying with due diligence requirements imposed under the Bank Secrecy Act, the USA PATRIOT Act, or other applicable Federal, State, or Tribal law; and

(4) evaluating whether the failure of the United States to require beneficial ownership information for partnerships and trusts formed or registered in the United States has elicited international criticism and what steps, if any, the United States has taken or is planning to take in response.

(c) Effectiveness of Incorporation Practices.—Not later than 5 years after the date of enactment of this Act, the Comptroller General of the United States shall conduct a study and submit to the Congress a report assessing the effectiveness of incorporation practices implemented under this Act and the amendments made by this Act in—
(1) providing law enforcement agencies with prompt access to reliable, useful, and complete beneficial ownership information; and

(2) strengthening the capability of law enforcement agencies to combat incorporation abuses, civil and criminal misconduct, and detect, prevent, or punish terrorism, money laundering, tax evasion, or other misconduct.

SEC. 5. DEFINITIONS.

In this Act, the terms “Bank Secrecy Act”, “beneficial owner”, “corporation”, and “limited liability company” have the meaning given those terms, respectively, under section 5333(d) of title 31, United States Code.
To ensure that persons who form corporations or limited liability companies in the United States disclose the beneficial owners of those corporations or limited liability companies, in order to prevent wrongdoers from employing United States corporations and limited liability companies in detecting, preventing, and punishing terrorism, money laundering, and other misconduct involving United States corporations and limited liability companies, and for other purposes.