

115TH CONGRESS
1ST SESSION

H. R. 3439

To facilitate better information sharing to assist in the fight against the funding of terrorist activities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2017

Mr. PITTENGER introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To facilitate better information sharing to assist in the fight against the funding of terrorist activities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Financial Institution
5 Security Act”.

6 **SEC. 2. INFORMATION SHARING.**

7 (a) IN GENERAL.—Section 314 of the USA PA-
8 TRIOT Act (31 U.S.C. 5311 note) is amended—

9 (1) in subsection (b)—

1 (A) by striking “terrorist or money laun-
2 dering activities” and inserting “terrorist acts,
3 money laundering activities, or a specified un-
4 lawful activity (as defined under section
5 1956(c)(7) of title 18, United States Code)”;
6 and

7 (B) by striking “activities that may involve
8 terrorist acts or money laundering activities”
9 and inserting “activities that may involve ter-
10 rorist acts, money laundering activities, or a
11 specified unlawful activity”; and

12 (2) in subsection (c), by inserting “or a speci-
13 fied unlawful activity (as defined under section
14 1956(c)(7) of title 18, United States Code)” after
15 “terrorist acts or money laundering activities”.

16 (b) UPDATE TO REGULATIONS.—Section 314(a) of
17 the USA PATRIOT Act (31 U.S.C. 5311 note) is amend-
18 ed by striking “or money laundering activities” each place
19 such term appears and inserting “, money laundering ac-
20 tivities, or a specified unlawful activity (as defined under
21 section 1956(c)(7) of title 18, United States Code)”.

22 (c) SENSE OF CONGRESS.—Section 314 of the USA
23 PATRIOT Act (31 U.S.C. 5311 note) is amended by add-
24 ing at the end the following:

1 “(e) SENSE OF CONGRESS.—It is the sense of the
2 Congress that, in furtherance of efforts to stop the financ-
3 ing of terror and other forms of illicit financing through
4 increased sharing of information, and consistent with the
5 need to prevent inappropriate dissemination of such infor-
6 mation—

7 “(1) Federal law enforcement agencies and reg-
8 ulators should share information about terrorist ac-
9 tivities, money laundering activities, and other speci-
10 fied unlawful activities (as defined under section
11 1956(e)(7) of title 18, United States Code) to the
12 fullest extent possible and in a timely fashion; and

13 “(2) financial institutions, including nonbank fi-
14 nancial institutions, should share information about
15 such acts and activities with each other to the fullest
16 extent possible and in a timely fashion.”.

17 **SEC. 3. DISCLOSURE LIABILITY.**

18 Section 5318(g)(3)(B) of title 31, United States
19 Code, is amended—

20 (1) in clause (i), by striking “or” at the end;

21 (2) in clause (ii), by striking the period and in-
22 serting “; or”; and

23 (3) by adding at the end the following:

24 “(iii) any duty or requirement of a fi-
25 nancial institution or any director, officer,

1 employee, or agent of such institution to
2 demonstrate to any person, as used in such
3 subparagraph, that a disclosure referenced
4 in such subparagraph is made in good
5 faith.”.

6 **SEC. 4. REPORT TO CONGRESS.**

7 (a) IN GENERAL.—Not later than the end of the 120-
8 day period beginning on the date of the enactment of this
9 Act, the Secretary of the Treasury shall report to the
10 Committee on Financial Services of the House of Rep-
11 resentatives and the Committee on Banking, Housing, and
12 Urban Affairs of the Senate regarding—

13 (1) the Department of the Treasury’s assess-
14 ment of the risks and benefits of allowing sharing of
15 information, consistent with appropriate privacy pro-
16 tections—

17 (A) between United States financial insti-
18 tutions and foreign financial institutions;

19 (B) between United States financial insti-
20 tutions and their foreign subsidiaries; and

21 (C) between United States subsidiaries of
22 foreign financial institutions and their parent
23 financial institutions; and

24 (2) whether a financial institution defined
25 under section 5312(a)(2) of title 31, United States

1 Code, that is not required under Treasury regula-
2 tions on the date of the enactment of this Act to
3 maintain an anti-money laundering program, should
4 be authorized to appropriately share information
5 pursuant to subsection (b) of section 314 of the
6 USA PATRIOT Act, if—

7 (A) the financial institution voluntarily es-
8 tablishes and maintains such an anti-money
9 laundering program;

10 (B) such program is subject to examina-
11 tion, and has been examined, by the appropriate
12 regulator; and

13 (C) the Secretary determines such program
14 to be adequately operating.

15 (b) SEPARATE PRESENTATION OF CLASSIFIED MA-
16 TERIAL.—Any part of the report described under sub-
17 section (a) that involves information which is properly
18 classified under criteria established by the President shall
19 be submitted to the committees described under subsection
20 (a) separately in a classified annex and, if requested by
21 the chairman or ranking Member of one of such commit-
22 tees, as a briefing at an appropriate level of security.

23 **SEC. 5. RULEMAKING.**

24 Not later than the end of the 180-day period begin-
25 ning on the date of the enactment of this Act, the Sec-

- 1 retary of the Treasury shall issue regulations to be con-
- 2 sistent with the amendments made by this Act.

