



June 10, 2019

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
United States House of Representatives
2221 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Patrick McHenry
Ranking Member
Committee on Financial Services
United States House of Representatives
2004 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairwoman Waters and Ranking Member McHenry,

We write to encourage the committee to act swiftly to pass meaningful legislation to end the abuse of anonymous shell companies. The Corporate Transparency Act, H.R. 2513, is a top priority of our collective members and we applaud the bi-partisan efforts that have brought the bill to mark-up this week.

Members of this Committee, including Congresswoman Maloney and Congressman Luetkemeyer, have worked in good faith, along with the Department of Treasury, non-profit groups, and the financial services sector to find consensus to close a massive loophole in our anti-money laundering framework. The resulting legislation to create a secure beneficial ownership registry of legal entities, held at the Financial Crimes Enforcement Network at the Department of Treasury, represents the best path forward to provide law-enforcement with needed information to pursue money laundering, terrorist financing and other illicit financial activity.

We believe H.R. 2513 strikes the right balance between imposing minimal requirements on small businesses while providing critical information to law enforcement and financial institutions performing due diligence. We encourage the drafters to work with the Treasury Department as part of the rulemaking process to consider relevant existing requirements, including the customer due diligence rule for financial institutions. We believe this legislation will provide clarity and consistency in implementation to help streamline the due diligence process while providing law enforcement with the key information needed to pursue illicit financial activities.

Importantly, HR 2513 has been endorsed by a variety of industries and interest groups across the political spectrum including law enforcement, national security, district attorneys, financial institutions, realtors, and corporate governance organizations.

We applaud Chairwoman Waters and Congresswoman Maloney for their leadership on these issues and for their patience over the recent weeks. Congress is long overdue to come together in support of legislation that will have a profound impact on preventing human trafficking, drug smuggling, terrorism financing and other illicit activity and we thank the committee for its dedication to improving the AML/CFT structure.

Sincerely,

Bank Policy Institute
Consumer Bankers Association
Securities Industry and Financial Markets Association
Mid-Size Bank Coalition of America
Institute of International Bankers
American Bankers Association
Financial Services Forum
Bankers Association for Finance and Trade
Institute of International Finance