

October 21, 2021

Himamauli Das
Acting Director
Financial Crimes Enforcement Network
U.S. Department of the Treasury
P.O. Box 39
Vienna, VA 22183

Dear Director Das,

We, the undersigned organizations, write to urge you to ensure that the rules currently being drafted to implement the Corporate Transparency Act (CTA) are comprehensive, avoid unintended loopholes, and accurately reflect the intent of Congress.

The recent release of the Pandora Papers underscores the need for strong CTA implementation. [According to](#) the Washington Post, “Within hours of publication, at least eight national governments [promised to launch](#) their own inquiries into the financial activities revealed in the papers.” This builds on the mountain of data released in previous publications of leaked documents, including the Panama Papers and the Paradise Papers, that documented how anonymous corporate structures have been used to hide damaging bribery payments, obscure corrupt public procurement practices, illegally profit off health disasters, move dangerous counterfeit goods around the world, pay private militias to engage in egregious human rights abuses, facilitate tax evasion, and more. We should not have to rely upon leaks to protect the integrity of our financial system.

As a result, the passage of the CTA was heralded by a wide array of stakeholders as the most important anti-money laundering law in twenty years.

To ensure the law meets its challenge, we encourage the Financial Crimes Enforcement Network (FinCEN) to take special care to ensure that the rules:

- Maintain the comprehensive definition of “beneficial owner” expressly included in the CTA;
- Provide for broad coverage of the types of entities required to register, including, but not limited to, all non-exempted trusts;
- Limit the interpretations of the exemptions, as best as possible, to include only those that file beneficial ownership information elsewhere with authorities or are truly low risk for money laundering, terrorist financing, and other harms; and
- Allow for timely and complete access to beneficial ownership information for all law enforcement and those with legal obligations to protect our financial system.

We also encourage you to clarify FinCEN’s intent to verify the beneficial ownership data provided to the directory. The United Kingdom’s experience with a non-verified directory provides overwhelming evidence of the need to verify the data with simple, real-time checks against other existing government databases.

Given the global impact that an effective U.S. beneficial ownership directory would have on fighting corruption, stemming the rise of authoritarianism, and defending human rights, we urge you to issue

a rule that adheres to the important principles detailed above, and to present a draft rule for the consideration of the international community prior to the U.S. Summit for Democracy in December.

Thank you for your consideration of our views.

Sincerely,

Accountability Lab
American Sustainable Business Council
Americans for Tax Fairness
Anti-Corruption Data Collective
Be Just
Bekker Compliance Consulting Partners, LLC
Coalition for Integrity
Crude Accountability
Foreign Policy for America
Financial Accountability and Corporate Transparency (FACT) Coalition
Freedom House
Government Accountability Project
Human Rights First
Human Rights Foundation
Institute for Policy Studies-Program on Inequality
Institute on Taxation and Economic Policy
Integrity Initiatives International
International Coalition Against Illicit Economies (ICAIE)
Missionary Oblates JPIC
Natural Resource Governance Institute
Never Again Coalition
Oxfam America
Project on Government Oversight
Publish What You Pay – US
Sassoufit Collective
The ONE Campaign
The Sentry
Transparency International – U.S. Office
U.S. PIRG
UNISHKA Research Service
WatchDog.MD Community (Republic of Moldova)