

Treasury Takes Next Important Step to Implement Landmark Anti-Money Laundering Law

A statement from Transparency International U.S.
December 15, 2022

WASHINGTON, DC – The U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN) today released a proposal for the second of three expected rules to implement the Corporate Transparency Act, a law to collect the beneficial ownership information of U.S. companies in order to curb money laundering abuses perpetrated by anonymous shell companies.

Public comments are open through February 14, 2023.

The first rule, focusing on reporting requirements, was finalized on September 30th of this year.

FinCEN has stated its intention to have all associated rulemakings complete and implementation begin by January 2024.

Gary Kalman, Transparency International U.S. Executive Director, issued the following statement:

This proposed rule is the next important step toward the implementation of a critical anti-corruption policy. Ending the abuse of anonymous companies through the collection of beneficial ownership information is now a proven international anti-money laundering norm with more than one hundred countries pledging to adopt the policy. The U.S. being the U.S., the scope and other details of this directory will be an influential factor in how effective the impact of this new information will be on holding corrupt and other criminal actors accountable globally.

We are still reviewing the specifics of the proposed rule but some key provisions to carefully consider include whether there is ready access, or

delays, in getting this information to police, prosecutors, and others who need this information for timely investigations. For example, while thousands of state and local law enforcement officials must receive court approval to access the data, once received, how quickly will they then be granted access?

We also need to better understand access by federal agencies and international partners. There are some promising statements regarding the processing of international requests and broad access by federal agencies, but we need to look more closely at the specific provisions.

We also want to ensure that financial institutions with anti-money laundering responsibilities have access to complete beneficial ownership information to effectively do what we require and need them to do.

Treasury stated in the proposal that they are continuing to review options for verification of the data. This is among the most important unanswered questions remaining in the implementation process. Experiences in other countries with similar laws demonstrate that the reliability of the information is critical to its usefulness in combating corruption and other crime.

Lastly, FinCEN noted that resource constraints play a role in their ability to move ahead with timely rulemakings for the Corporate Transparency Act. We continue to call on Congress to ensure sufficient funding for FinCEN in order to effectively protect the integrity of our financial system.

We greatly appreciate this next step and look forward to engaging with FinCEN on this proposal.

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Transparency International U.S. is part of the world's largest coalition against corruption. In collaboration with national chapters in more than 100 countries, we are leading the fight to turn our vision of a world free from corruption into reality.

Related Resources

- Read FinCEN's [press release](#) on the NPRM;
- Read FinCEN's associated [factsheet](#) on the release;
- Read TI US's [factsheet](#) on the Corporate Transparency Act;

- Read TI US's [full ANPRM comment](#) on the Corporate Transparency Act.

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