

By electronic submission (via the Federal E-rulemaking Portal)

May 27, 2025

Ms. Andrea Gacki
Director
Financial Crimes Enforcement Network
U.S. Department of the Treasury
P.O. Box 39
Vienna, VA 22183

Re: Beneficial Ownership Information Reporting Requirement Revision and Deadline Extension
(Docket No. FINCEN-2025-0001, OMB control number 1506-0076, RIN 1506-AB49)

Dear Director Gacki,

Transparency International (“TI”) and the undersigned TI chapters appreciate the opportunity to comment on the Interim Final Rule (“IFR”) regarding revisions and deadline extensions to the beneficial ownership information (“BOI”) reporting requirements under the Corporate Transparency Act (“CTA”),¹ as published and made effective by the Financial Crimes Enforcement Network (“FinCEN”) on March 26, 2025.²

TI is an independent, non-governmental nonprofit, and global movement leading the fight against corruption. Through chapters in countries worldwide and an international secretariat in Berlin, TI works to raise awareness of the destructive effects of corruption, and engages with partners in government, business, and civil society to develop and implement effective measures to tackle and deter corruption, including working around the world on the creation of robust, accurate, efficient, and easily accessible beneficial ownership databases.³

The Global Stakes of U.S. Financial Secrecy

The United States has long played an important role in exposing and prosecuting cross-border corruption. The collection of BOI has become a global norm: In 2014, the G20 pledged a series of commitments to expand beneficial ownership transparency frameworks, including the establishment of centralized mechanisms to collect BOI. Today 100 countries have established such centralized registers, and 60 more have pledged to update their anti-money laundering (“AML”) laws to include the collection of BOI.⁴ Combined with the U.S. economy’s size and role as a financial hub, this means that an effective U.S. BOI regime could represent one of the most impactful reforms to global financial integrity in decades. That’s why the international anti-

¹ William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. No. 116-283, §§ 6401-6403, 134 Stat. 3388, 4604-4625.

² FinCEN, “Beneficial Ownership Information Reporting Requirement Revision and Deadline Extension,” Mar. 26, 2025, available at <https://www.federalregister.gov/documents/2025/03/26/2025-05199/beneficial-ownership-information-reporting-requirement-revision-and-deadline-extension>.

³ For more information on TI’s work on global illicit finance, see TI, “Dirty Money,” available at <https://www.transparency.org/en/our-priorities/dirty-money>.

⁴ See Open Ownership, “Open Ownership map: Worldwide action on beneficial ownership transparency,” available at <https://www.openownership.org/en/map/>.

corruption community applauded the adoption of the CTA. The promise of U.S. engagement was a transformative moment in the fight against illicit finance.

That promise is now in jeopardy. The U.S. Department of the Treasury's March decision to suspend CTA enforcement for domestic reporting companies, followed by the IFR's exemption of all domestic reporting companies and all U.S. beneficial owners of foreign reporting companies, is deeply alarming. We are concerned that this decision actively undermines the global fight against corruption and other forms of illicit finance.

Anonymous U.S. Companies Are a Global Problem

Our experience as TI chapters has shown that corrupt officials from around the world have used U.S. anonymous companies to launder stolen funds. From Africa to Latin America, Eastern Europe to Southeast Asia, we have tracked billions in illicit proceeds routed through such entities.⁵ These are not hypotheticals—they are real cases that have impeded our efforts to hold the corrupt accountable and to recover stolen assets for the benefit of our communities.

At bottom, the IFR's key assumption—that foreign reporting companies are the primary risk—is fundamentally flawed. U.S. entities have been at the heart of countless cross-border corruption scandals. If the CTA applies only to foreign reporting companies that register to do business in the U.S., while exempting anonymous entities formed inside the U.S., it will enshrine a loophole that undermines the law and the global opportunity for progress. Corrupt actors and criminals will simply create a U.S.-based company in order to evade the CTA.

FinCEN's approach also places the U.S. in contravention of its commitments under the Financial Action Task Force ("FATF"). FATF has repeatedly emphasized the need for comprehensive beneficial ownership disclosure for all relevant legal entities. The U.S. was only recently upgraded for progress on Recommendation 24 regarding beneficial ownership transparency;⁶ finalizing the IFR would almost certainly reverse that progress and reopen the U.S. financial system to abuse by money launderers and corrupt officials from around the world.

Conclusion

The U.S. has the potential to offer something critical to the global fight to counter corruption: A highly useful and appropriately accessible centralized U.S. BOI database containing ownership records of legal entities that are misused in order to commit crimes across the world. That database could serve as a cornerstone for international cooperation, asset recovery, and enforcement, providing foreign authorities with a powerful tool for uncovering, deterring, and holding accountable those who plunder their citizens' resources. It can also position the U.S. as a key contributor in the global fight against cross-border corruption—but only if it includes all relevant legal entities, including domestic companies and U.S. beneficial owners of foreign reporting companies.

⁵ See, e.g., TI, "Dirty Money's Hiding Spots: How Corruption Funds Disappear Overseas," Dec. 16, 2024, available at https://www.transparency.org/en/news/dirty-money-hiding-spots-how-corruption-funds-disappear-overseas-billions-africa-assets?utm_source=chatgpt.com.

⁶ See U.S. Department of the Treasury, "2024 National Strategy for Combating Terrorist and Other Illicit Financing," May 2024, 10, available at <https://home.treasury.gov/system/files/136/2024-Illicit-Finance-Strategy.pdf>.

Thank you for the opportunity to present these comments. If you have any questions, or for additional information on TI's work in this regard, please contact Eka Rostomashvili, Campaigns Lead on Corrupt Money Flows for TI, at erostomashvili@transparency.org.

Respectfully submitted,

Transparency International
Transparency International U.S.
Acción Ciudadana
Asociación para una sociedad más justa (Transparency International Honduras)
Association Nigérienne de Lutte contre la Corruption section de Transparency International
Costa Rica Integra TI
Fundación Ciudadanía y Desarrollo – TI Ecuador
Fundación Libertad Ciudadana, TI Panamá
Fundación Nacional para el Desarrollo, TI El Salvador
Ligue Congolaise de lutte contre la Corruption LICOCO DRC
Participación Ciudadana (Transparency International Dominican Republic)
Poder Ciudadano, TI Argentina
Rencontre pour la Paix et les Droits de l'Homme (RPDH)
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Transparency International Australia
Transparency International Bangladesh
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Transparency International Brazil
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Transparency International Ghana
Transparency International Guyana
Transparency International Hungary
Transparency International Indonesia
Transparency International Ireland
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Transparency International Latvia
Transparency International Macedonia
Transparency International Madagascar
Transparency International Maldives

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