

AMENDMENT NO. _____ Calendar No. _____

Purpose: To improve laws relating to money laundering and beneficial ownership reporting.

IN THE SENATE OF THE UNITED STATES—116th Cong., 2d Sess.

S. 4049

To authorize appropriations for fiscal year 2021 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by _____

Viz:

1 At the end, add the following:

2 **DIVISION E—ANTI-MONEY**
3 **LAUNDERING**

4 **SEC. 5001. SHORT TITLE.**

5 This division may be cited as the “Anti-Money Laundering Act of 2020”.

7 **SEC. 5002. PURPOSES.**

8 The purposes of this division are—

9 (1) to improve coordination among the agencies
10 tasked with administering anti-money laundering

1 and countering the financing of terrorism require-
2 ments, the agencies that examine financial institu-
3 tions for compliance with those requirements, Fed-
4 eral law enforcement agencies, the intelligence com-
5 munity, and financial institutions;

6 (2) to modernize anti-money laundering and
7 countering the financing of terrorism laws to adapt
8 the government and private sector response to new
9 and emerging threats;

10 (3) to encourage technological innovation and
11 the adoption of new technology by financial institu-
12 tions to more effectively counter money laundering
13 and the financing of terrorism;

14 (4) to reinforce that the anti-money laundering
15 and countering the financing of terrorism policies,
16 procedures, and controls of financial institutions
17 shall be risk based;

18 (5) to establish uniform beneficial ownership in-
19 formation reporting requirements to—

20 (A) improve transparency for national se-
21 curity, intelligence, and law enforcement agen-
22 cies concerning corporate structures and insight
23 into the flow of illicit funds through those
24 structures;

1 (B) discourage the use of shell corpora-
2 tions as a tool to disguise illicit funds;

3 (C) assist national security, intelligence,
4 and law enforcement agencies with the pursuit
5 of crimes; and

6 (D) protect the national security of the
7 United States; and

8 (6) to establish a secure, nonpublic database at
9 FinCEN for beneficial ownership information.

10 **SEC. 5003. DEFINITIONS.**

11 In this division:

12 (1) **BANK SECRECY ACT.**—The term “Bank Se-
13 crecy Act” means—

14 (A) section 21 of the Federal Deposit In-
15 surance Act (12 U.S.C. 1829b);

16 (B) chapter 2 of title I of Public Law 91-
17 508 (12 U.S.C. 1951 et seq.); and

18 (C) subchapter II of chapter 53 of title 31,
19 United States Code.

20 (2) **ELECTRONIC FUND TRANSFER.**—The term
21 “electronic fund transfer” has the meaning given the
22 term in section 903 of the Electronic Fund Transfer
23 Act (15 U.S.C. 1693a).

24 (3) **FEDERAL FUNCTIONAL REGULATOR.**—The
25 term “Federal functional regulator”—

1 (A) has the meaning given the term in sec-
2 tion 509 of the Gramm-Leach-Bliley Act (15
3 U.S.C. 6809); and

4 (B) includes any Federal regulator that ex-
5 amines a financial institution for compliance
6 with the Bank Secrecy Act.

7 (4) FINANCIAL AGENCY.—The term “financial
8 agency” has the meaning given the term in section
9 5312(a) of title 31, United States Code, as amended
10 by section 5102 of this division.

11 (5) FINANCIAL INSTITUTION.—The term “fi-
12 nancial institution”—

13 (A) has the meaning given the term in sec-
14 tion 5312 of title 31, United States Code; and

15 (B) includes—

16 (i) an electronic fund transfer net-
17 work;

18 (ii) a clearing and settlement system;

19 (iii) a Federal Reserve bank—

20 (I) operating as an administrator
21 of a clearing and settlement system;

22 and

23 (II) acting as a financial agency.

1 (6) FINCEN.—The term “FinCEN” means the
2 Financial Crimes Enforcement Network of the De-
3 partment of the Treasury.

4 (7) SECRETARY.—The term “Secretary” means
5 the Secretary of the Treasury.

6 (8) STATE BANK SUPERVISOR.—The term
7 “State bank supervisor” has the meaning given the
8 term in section 3 of the Federal Deposit Insurance
9 Act (12 U.S.C. 1813).

10 (9) STATE CREDIT UNION SUPERVISOR.—The
11 term “State credit union supervisor” means a State
12 official described in section 107A(e) of the Federal
13 Credit Union Act (12 U.S.C. 1757a(e)).

14 **TITLE LI—STRENGTHENING**
15 **TREASURY FINANCIAL INTEL-**
16 **LIGENCE, ANTI-MONEY LAUN-**
17 **DERING, AND COUNTERING**
18 **THE FINANCING OF TER-**
19 **RORISM PROGRAMS**

20 **SEC. 5101. ESTABLISHMENT OF NATIONAL EXAM AND SU-**
21 **PERVISION PRIORITIES.**

22 (a) DECLARATION OF PURPOSE.—Subchapter II of
23 chapter 53 of title 31, United States Code, is amended
24 by striking section 5311 and inserting the following:

1 **“§ 5311. Declaration of purpose**

2 “It is the purpose of this subchapter (except section
3 5315) to—

4 “(1) require certain reports or records that are
5 highly useful in—

6 “(A) criminal, tax, or regulatory investiga-
7 tions, risk assessments, or proceedings; or

8 “(B) intelligence or counterintelligence ac-
9 tivities, including analysis, to protect against
10 terrorism;

11 “(2) prevent the laundering of money and the
12 financing of terrorism through the establishment by
13 financial institutions of reasonably designed risk-
14 based programs to combat money laundering and
15 the financing of terrorism;

16 “(3) facilitate the tracking of money that has
17 been sourced through criminal activity or is intended
18 to promote criminal or terrorist activity;

19 “(4) assess the money laundering, terrorism fi-
20 nance, tax evasion, and fraud risks to financial insti-
21 tutions, products, or services to—

22 “(A) protect the financial system of the
23 United States from criminal abuse; and

24 “(B) safeguard the national security of the
25 United States; and

1 “(5) establish appropriate frameworks for infor-
2 mation sharing among financial institutions, their
3 agents and service providers, their regulatory au-
4 thorities, associations of financial institutions, the
5 Department of the Treasury, and law enforcement
6 authorities to identify, stop, and apprehend money
7 launderers and those who finance terrorists.”.

8 (b) ANTI-MONEY LAUNDERING PROGRAMS.—Section
9 5318 of title 31, United States Code, is amended—

10 (1) in subsection (a)(1), by striking “subsection
11 (b)(2)” and inserting “subsections (b)(2) and
12 (h)(4)”; and

13 (2) in subsection (h)—

14 (A) in paragraph (1), in the matter pre-
15 ceding subparagraph (A)—

16 (i) by inserting “and the financing of
17 terrorism” after “money laundering”; and

18 (ii) by inserting “and countering the
19 financing of terrorism” after “anti-money
20 laundering”;

21 (B) in paragraph (2)—

22 (i) by striking “The Secretary” and
23 inserting the following:

24 “(A) IN GENERAL.—The Secretary”; and

1 (ii) by adding at the end the fol-
2 lowing:

3 “(B) FACTORS.—In prescribing the min-
4 imum standards under subparagraph (A), and
5 in supervising and examining compliance with
6 those standards, the Secretary of the Treasury,
7 and the appropriate Federal functional regu-
8 lator (as defined in section 509 of the Gramm-
9 Leach-Bliley Act (12 U.S.C. 6809)) shall take
10 into account the following:

11 “(i) Financial institutions are spend-
12 ing private compliance funds for a public
13 and private benefit, including protecting
14 the United States financial system from il-
15 licit finance risks.

16 “(ii) The extension of financial serv-
17 ices to the underbanked and remittances
18 coming from the United States and abroad
19 in ways that simultaneously prevent crimi-
20 nal underbanked persons from abusing for-
21 mal or informal financial services networks
22 are key policy goals of the United States.

23 “(iii) Effective anti-money laundering
24 and countering the financing of terrorism
25 programs safeguard national security and

1 generate significant public benefits by pre-
2 venting the flow of illicit funds in the fi-
3 nancial system and by assisting law en-
4 forcement agencies with the identification
5 and prosecution of persons attempting to
6 launder money and undertake other illicit
7 activity through the financial system.

8 “(iv) Anti-money laundering and
9 countering the financing of terrorism pro-
10 grams described in paragraph (1) should
11 be—

12 “(I) reasonably designed to as-
13 sure and monitor compliance with the
14 requirements of this subchapter and
15 regulations promulgated under this
16 subchapter; and

17 “(II) risk based, including ensur-
18 ing that more attention and resources
19 of financial institutions should be di-
20 rected toward higher risk customers
21 and activities, consistent with the risk
22 profile of a financial institution, rath-
23 er than toward lower risk customers
24 and activities.”; and

25 (C) by adding at the end the following:

1 “(4) PRIORITIES.—

2 “(A) IN GENERAL.—Not later than 180
3 days after the date of enactment of this para-
4 graph, the Secretary of the Treasury, in con-
5 sultation with the Attorney General, Federal
6 functional regulators (as defined in section 509
7 of the Gramm-Leach-Bliley Act (15 U.S.C.
8 6809)), relevant State financial regulators, na-
9 tional security agencies, and the Secretary of
10 Homeland Security, shall establish and make
11 public priorities for anti-money laundering and
12 countering the financing of terrorism policy.

13 “(B) UPDATES.—Not less frequently than
14 once every 4 years, the Secretary of the Treas-
15 ury, in consultation with the Attorney General,
16 Federal functional regulators (as defined in sec-
17 tion 509 of the Gramm-Leach-Bliley Act (15
18 U.S.C. 6809)), relevant State financial regu-
19 lators, national security agencies, and the Sec-
20 retary of Homeland Security, shall update the
21 priorities established under subparagraph (A).

22 “(C) RELATION TO NATIONAL STRAT-
23 EGY.—The Secretary of the Treasury shall en-
24 sure that the priorities established under sub-
25 paragraph (A) are consistent with the national

1 strategy for countering the financing of ter-
2 rorism and related forms of illicit finance devel-
3 oped under section 261 of the Countering Rus-
4 sian Influence in Europe and Eurasia Act of
5 2017 (Public Law 115–44; 131 Stat. 934).

6 “(D) RULEMAKING.—Not later than 180
7 days after the date on which the Secretary of
8 the Treasury establishes the priorities under
9 subparagraph (A), the Secretary of the Treas-
10 ury, acting through the Director of the Finan-
11 cial Crimes Enforcement Network and in con-
12 sultation with the Federal functional regulators
13 (as defined in section 509 of the Gramm-Leach-
14 Bliley Act (15 U.S.C. 6809)) and relevant State
15 financial regulators, shall, as appropriate, pro-
16 mulgate regulations to carry out this para-
17 graph.

18 “(E) SUPERVISION AND EXAMINATION.—
19 The review by a financial institution of the pri-
20 orities established under subparagraph (A) and
21 the incorporation of those priorities, as appro-
22 priate, into the risk-based programs established
23 by the financial institution to meet obligations
24 under this subchapter, the USA PATRIOT Act
25 (Public Law 107–56; 115 Stat. 272), and other

1 anti-money laundering and countering the fi-
2 nancing of terrorism laws and regulations shall
3 be included as a measure on which a financial
4 institution is supervised and examined for com-
5 pliance with those obligations.

6 “(5) DUTY.—The duty to establish, maintain
7 and enforce an anti-money laundering and coun-
8 tering the financing of terrorism program as re-
9 quired by this subsection shall remain the responsi-
10 bility of, and be performed by, persons in the United
11 States who are accessible to, and subject to over-
12 sight and supervision by, the Secretary of the Treas-
13 ury and the appropriate Federal functional regulator
14 (as defined in section 509 of the Gramm-Leach-Bli-
15 ley Act (15 U.S.C. 6809)).”

16 (c) FINANCIAL CRIMES ENFORCEMENT NETWORK.—
17 Section 310(b)(2) of title 31, United States Code, is
18 amended—

19 (1) by redesignating subparagraph (J) as sub-
20 paragraph (O); and

21 (2) by inserting after subparagraph (I) the fol-
22 lowing:

23 “(J) Promulgate regulations under section
24 5318(h)(4)(D), as appropriate, to implement
25 the government-wide anti-money laundering and

1 countering the financing of terrorism examina-
2 tion and supervision priorities established by
3 the Secretary of the Treasury under section
4 5318(h)(4)(A).

5 “(K) Communicate regularly with financial
6 institutions and Federal functional regulators
7 that examine financial institutions for compli-
8 ance with subchapter II of chapter 53 and reg-
9 ulations promulgated under that subchapter
10 and law enforcement authorities to explain the
11 United States Government’s anti-money laun-
12 dering and countering the financing of ter-
13 rorism examination and supervision priorities.

14 “(L) Give and receive feedback to and
15 from financial institutions, State bank super-
16 visors, and State credit union supervisors (as
17 those terms are defined in section 5003 of the
18 Anti-Money Laundering Act of 2020) regarding
19 the matters addressed in subchapter II of chap-
20 ter 53 and regulations promulgated under that
21 subchapter.

22 “(M) Maintain money laundering and ter-
23 rorist financing investigation financial experts
24 capable of identifying, tracking, and tracing fi-
25 nancial crime networks and identifying emerg-

1 ing threats to support Federal civil and crimi-
2 nal investigations.

3 “(N) Maintain emerging technology ex-
4 perts to encourage the development of and iden-
5 tify emerging technologies that can assist the
6 United States Government or financial institu-
7 tions in countering money laundering and the
8 financing of terrorism.”.

9 **SEC. 5102. STRENGTHENING FINCEN.**

10 (a) FINDINGS.—Congress finds the following:

11 (1) The mission of FinCEN is to safeguard the
12 financial system from illicit use, counter money
13 laundering and the financing of terrorism, and pro-
14 mote national security through strategic use of fi-
15 nancial authorities and the collection, analysis, and
16 dissemination of financial intelligence.

17 (2) In its mission to safeguard the financial
18 system from the abuses of financial crime, including
19 the financing of terrorism, money laundering, and
20 other illicit activity, the United States should
21 prioritize working with partners in Federal, State,
22 local, Tribal, and foreign law enforcement authori-
23 ties.

24 (3) Although the use and trading of virtual cur-
25 rencies are legal practices, some terrorists and crimi-

1 nals, including international criminal organizations,
2 seek to exploit vulnerabilities in the global financial
3 system and increasingly rely on substitutes for cur-
4 rency, including emerging payment methods (such as
5 virtual currencies), to move illicit funds.

6 (4) In carrying out its mission, FinCEN should
7 ensure that its efforts fully support countering the
8 financing of terrorism efforts, including making sure
9 that steps to address emerging methods of such il-
10 licit financing are high priorities.

11 (b) EXPANDING INFORMATION SHARING WITH TRIB-
12 AL AUTHORITIES.—Section 310(b)(2) of title 31, United
13 States Code, is amended—

14 (1) in subparagraphs (C), (E), and (F), by in-
15 serting “Tribal,” after “local,” each place that term
16 appears; and

17 (2) in subparagraph (C)(vi), by striking “inter-
18 national”.

19 (c) EXPANSION OF REPORTING AUTHORITIES TO
20 COMBAT MONEY LAUNDERING.—Section 5318(a)(2) of
21 title 31, United States Code, is amended—

22 (1) by inserting “, including the collection and
23 reporting of certain information as the Secretary of
24 the Treasury may prescribe by regulation,” after
25 “appropriate procedures”; and

1 (2) by inserting “, the financing of terrorism,
2 or other forms of illicit finance” after “money laun-
3 dering”.

4 (d) VALUE THAT SUBSTITUTES FOR CURRENCY.—

5 (1) DEFINITIONS.—Section 5312(a) of title 31,
6 United States Code, is amended—

7 (A) in paragraph (1), by striking “, or a
8 transaction in money, credit, securities, or
9 gold” and inserting “, a transaction in money,
10 credit, securities or gold, or a service provided
11 with respect to money, securities, futures, pre-
12 cious metals, stones and jewels, or value that
13 substitutes for money”;

14 (B) in paragraph (2)—

15 (i) in subparagraph (J), by inserting
16 “, or a business engaged in the exchange
17 of currency, funds, or value that sub-
18 stitutes for currency or funds” before the
19 semicolon at the end; and

20 (ii) in subparagraph (R), by striking
21 “funds,” and inserting “currency, funds,
22 or value that substitutes for currency,”;
23 and

24 (C) in paragraph (3)—

1 (i) in subparagraph (B), by striking
2 “and” at the end;

3 (ii) in subparagraph (C), by striking
4 the period at the end and inserting “;
5 and”; and

6 (iii) by adding at the end the fol-
7 lowing:

8 “(D) as the Secretary shall provide by reg-
9 ulation, value that substitutes for any monetary
10 instrument described in subparagraph (A), (B),
11 or (C).”.

12 (2) REGISTRATION OF MONEY TRANSMITTING
13 BUSINESSES.—Section 5330(d) of title 31, United
14 States Code, is amended—

15 (A) in paragraph (1)(A)—

16 (i) by striking “funds,” and inserting
17 “currency, funds, or value that substitutes
18 for currency,”; and

19 (ii) by striking “system;” and insert-
20 ing “system;” and

21 (B) in paragraph (2)—

22 (i) by striking “currency or funds de-
23 nominated in the currency of any country”
24 and inserting “currency, funds, or value
25 that substitutes for currency”;

- 1 (ii) by striking “currency or funds, or
2 the value of the currency or funds,” and
3 inserting “currency, funds, or value that
4 substitutes for currency”; and
5 (iii) by inserting “, including” after
6 “means”.

7 **SEC. 5103. FINCEN EXCHANGE.**

8 Section 310 of title 31, United States Code, is
9 amended—

10 (1) by redesignating subsection (d) as sub-
11 section (1); and

12 (2) by inserting after subsection (c) the fol-
13 lowing:

14 “(d) **FINCEN EXCHANGE.**—

15 “(1) **DEFINITIONS.**—In this subsection—

16 “(A) the term ‘Bank Secrecy Act’ has the
17 meaning given the term in section 5003 of the
18 Anti-Money Laundering Act of 2020; and

19 “(B) the term ‘financial institution’ has
20 the meaning given the term in section 5312.

21 “(2) **ESTABLISHMENT.**—The FinCEN Ex-
22 change is hereby established within FinCEN.

23 “(3) **PURPOSE.**—The FinCEN Exchange shall
24 facilitate a voluntary public-private information

1 sharing partnership among law enforcement agen-
2 cies, financial institutions, and FinCEN to—

3 “(A) effectively and efficiently combat
4 money laundering, terrorism financing, orga-
5 nized crime, and other financial crimes, includ-
6 ing by promoting innovation and technical ad-
7 vances in reporting—

8 “(i) under subchapter II of chapter 53
9 and the regulations promulgated under
10 that subchapter; and

11 “(ii) with respect to other anti-money
12 laundering requirements;

13 “(B) protect the financial system from il-
14 licit use; and

15 “(C) promote national security.

16 “(4) REPORT.—

17 “(A) IN GENERAL.—Not later than 1 year
18 after the date of enactment of this subsection,
19 and once every 2 years thereafter for the next
20 5 years, the Secretary of the Treasury shall
21 submit to the Committee on Banking, Housing,
22 and Urban Affairs of the Senate and the Com-
23 mittee on Financial Services of the House of
24 Representatives a report containing—

1 “(B) in such a manner as to ensure the
2 appropriate confidentiality of personal informa-
3 tion; and

4 “(C) at the discretion of the Director, with
5 the appropriate Federal functional regulator, as
6 defined in section 5003 of the Anti-Money
7 Laundering Act of 2020.

8 “(6) PROTECTION OF SHARED INFORMATION.—

9 “(A) REGULATIONS.—FinCEN shall, as
10 appropriate, promulgate regulations that estab-
11 lish procedures for the protection of information
12 shared and exchanged by FinCEN with the pri-
13 vate sector in accordance with this section, con-
14 sistent with the capacity, size, and nature of the
15 financial institution to which the particular pro-
16 cedures apply.

17 “(B) USE OF INFORMATION.—Information
18 received by a financial institution pursuant to
19 this section shall not be used for any purpose
20 other than identifying and reporting on activi-
21 ties that may involve terrorist acts, money laun-
22 dering activities, proliferation financing activi-
23 ties, or other financial crimes.

24 “(7) RULE OF CONSTRUCTION.—Nothing in
25 this subsection may be construed to create new in-

1 formation sharing authorities relating to the Bank
2 Secrecy Act.”.

3 **SEC. 5104. INTERAGENCY ANTI-MONEY LAUNDERING AND**
4 **COUNTERING THE FINANCING OF TER-**
5 **RORISM PERSONNEL ROTATION PROGRAM.**

6 To promote greater effectiveness and efficiency in
7 combating money laundering, terrorism financing, orga-
8 nized crime, and other financial crimes, the Secretary shall
9 maintain and accelerate efforts to strengthen anti-money
10 laundering and countering the financing of terrorism ef-
11 forts through a personnel rotation program among the
12 Federal functional regulators, the Department of Justice,
13 the Federal Bureau of Investigation, the Department of
14 Homeland Security, the Department of Defense, and such
15 other agencies as the Secretary determines are appro-
16 priate.

17 **SEC. 5105. TERRORISM AND FINANCIAL INTELLIGENCE**
18 **SPECIAL HIRING AUTHORITY.**

19 (a) FINCEN.—Section 310 of title 31, United States
20 Code, as amended by section 5103 of this division, is
21 amended by inserting after subsection (d) the following:

22 “(e) SPECIAL HIRING AUTHORITY.—

23 “(1) IN GENERAL.—The Secretary of the
24 Treasury may appoint, without regard to the provi-
25 sions of sections 3309 through 3318 of title 5, can-

1 candidates directly to positions in the competitive serv-
2 ice, as defined in section 2102 of that title, in
3 FinCEN.

4 “(2) PRIMARY RESPONSIBILITIES.—The pri-
5 mary responsibility of candidates appointed under
6 paragraph (1) shall be to provide substantive sup-
7 port in support of the duties described in subpara-
8 graphs (A) through (O) of subsection (b)(2).”.

9 (b) OFFICE OF TERRORISM AND FINANCIAL INTEL-
10 LIGENCE.—Section 312 of title 31, United States Code,
11 is amended by adding at the end the following:

12 “(g) SPECIAL HIRING AUTHORITY.—

13 “(1) IN GENERAL.—The Secretary of the
14 Treasury may appoint, without regard to the provi-
15 sions of sections 3309 through 3318 of title 5, can-
16 didates directly to positions in the competitive serv-
17 ice (as defined in section 2102 of that title) in the
18 OTFL.

19 “(2) PRIMARY RESPONSIBILITIES.—The pri-
20 mary responsibility of candidates appointed under
21 paragraph (1) shall be to provide substantive sup-
22 port in support of the duties described in subpara-
23 graphs (A) through (G) of subsection (a)(4).

24 “(h) DEPLOYMENT OF STAFF.—The Secretary of the
25 Treasury may detail, without regard to the provisions of

1 section 300.301 of title 5, Code of Federal Regulations,
2 any employee in the OTFI to any position in the OTFI
3 for which the Secretary has determined there is a need.”.

4 (c) REPORT.—Not later than 1 year after the date
5 of enactment of this Act, and every 2 years thereafter for
6 5 years, the Secretary shall submit to the Committee on
7 Banking, Housing, and Urban Affairs of the Senate and
8 the Committee on Financial Services of the House of Rep-
9 resentatives a report that includes the number of new em-
10 ployees hired during the previous year under the authori-
11 ties described in sections 310 and 312 of title 31, United
12 States Code, along with position titles and associated pay
13 grades for such hires.

14 **SEC. 5106. TREASURY ATTACHÉ PROGRAM.**

15 (a) IN GENERAL.—Subchapter I of chapter 3 of title
16 31, United States Code, is amended by adding at the end
17 the following:

18 **“§ 316. Treasury Attaché Program**

19 “(a) IN GENERAL.—There is established the Treas-
20 ury Financial Attaché Program, under which the Sec-
21 retary of the Treasury shall appoint employees of the De-
22 partment of the Treasury as a Treasury Financial
23 Attaché, who shall—

24 “(1) further the work of the Department of the
25 Treasury in developing and executing the financial

1 and economic policy of the United States Govern-
2 ment and the international fight against terrorism,
3 money laundering, and other illicit finance;

4 “(2) be co-located in a United States Embassy,
5 a similar United States Government facility, or a
6 foreign government facility, as the Secretary deter-
7 mines is appropriate;

8 “(3) establish and maintain relationships with
9 foreign counterparts, including employees of min-
10 istries of finance, central banks, international finan-
11 cial institutions, and other relevant official entities;

12 “(4) conduct outreach to local and foreign fi-
13 nancial institutions and other commercial actors;

14 “(5) as appropriate, coordinate with representa-
15 tives of the Department of Justice at United States
16 Embassies who perform similar functions on behalf
17 of the United States Government; and

18 “(6) perform such other actions as the Sec-
19 retary determines are appropriate.

20 “(b) NUMBER OF ATTACHÉS.—

21 “(1) IN GENERAL.—The number of Treasury
22 Financial Attachés appointed under this section at
23 any one time shall be not fewer than 6 more employ-
24 ees than the number of employees of the Depart-

1 ment of the Treasury serving as Treasury attachés
2 on the date of enactment of this section.

3 “(2) ADDITIONAL POSTS.—The Secretary of the
4 Treasury may establish additional posts subject to
5 the availability of appropriations.

6 “(c) COMPENSATION.—

7 “(1) IN GENERAL.—Each Treasury Financial
8 Attaché appointed under this section and located at
9 a United States Embassy shall receive compensation,
10 including allowances, at the higher of—

11 “(A) the rate of compensation, including
12 allowances, provided to a Foreign Service offi-
13 cer serving at the same embassy; and

14 “(B) the rate of compensation, including
15 allowances, the Treasury attaché would other-
16 wise have received, absent the application of
17 this subsection.

18 “(2) PHASE IN.—The compensation described
19 in paragraph (1) shall be phased in over 2 years.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 for chapter 3 of title 31, United States Code, is amended
22 by inserting after the item relating to section 315 the fol-
23 lowing:

 “316. Treasury Attaché Program.”.

1 **SEC. 5107. ESTABLISHMENT OF FINCEN DOMESTIC LIAI-**
2 **SONS.**

3 Section 310 of title 31, United States Code, as
4 amended by sections 5103 and 5105 of this division, is
5 amended by inserting after subsection (e) the following:

6 “(f) FINCEN DOMESTIC LIAISONS.—

7 “(1) ESTABLISHMENT OF OFFICE.—There is
8 established in FinCEN an Office of Domestic Liai-
9 son, which shall be headed by the Chief Domestic
10 Liaison.

11 “(2) LOCATION.—The Office of the Domestic
12 Liaison shall be located in the District of Columbia.

13 “(g) CHIEF DOMESTIC LIAISON.—

14 “(1) IN GENERAL.—The Chief Domestic Liai-
15 son, shall—

16 “(A) report directly to the Director; and

17 “(B) be appointed by the Director, from
18 among individuals with experience or familiarity
19 with anti-money laundering program examina-
20 tions, supervision, and enforcement.

21 “(2) COMPENSATION.—The annual rate of pay
22 for the Chief Domestic Liaison shall be equal to the
23 highest rate of annual pay for other senior execu-
24 tives who report to the Director.

25 “(3) STAFF OF OFFICE.—The Chief Domestic
26 Liaison, with the concurrence of the Director, may

1 retain or employ counsel, research staff, and service
2 staff, as the Liaison determines necessary to carry
3 out the functions, powers, and duties under this sub-
4 section.

5 “(4) DOMESTIC LIAISONS.—The Chief Domestic
6 Liaison, with the concurrence of the Director, shall
7 appoint not fewer than 6 senior FinCEN employees
8 as FinCEN Domestic Liaisons, who shall—

9 “(A) report to the Chief Domestic Liaison;

10 “(B) each be assigned to focus on a spe-
11 cific region of the United States; and

12 “(C) be located at an office in such region
13 or co-located at an office of the Board of Gov-
14 ernors of the Federal Reserve System in such
15 region.

16 “(5) FUNCTIONS OF THE DOMESTIC LIAI-
17 SONS.—

18 “(A) IN GENERAL.—Each Domestic Liai-
19 son shall—

20 “(i) in coordination with relevant Fed-
21 eral functional regulators, perform out-
22 reach to BSA officers at financial institu-
23 tions, including nonbank financial institu-
24 tions, and persons that are not financial
25 institutions, especially with respect to ac-

1 tions taken by FinCEN that require spe-
2 cific actions by, or have specific effects on,
3 such institutions or persons, as determined
4 by the Director;

5 “(ii) in accordance with applicable
6 agreements, receive feedback from finan-
7 cial institutions and examiners of Federal
8 functional regulators regarding their ex-
9 aminations under the Bank Secrecy Act
10 and communicate that feedback to
11 FinCEN, the Federal functional regu-
12 lators, and State bank supervisors;

13 “(iii) promote coordination and con-
14 sistency of supervisory guidance from
15 FinCEN, the Federal functional regu-
16 lators, State bank supervisors, and State
17 credit union supervisors regarding the
18 Bank Secrecy Act;

19 “(iv) act as a liaison between financial
20 institutions and their Federal functional
21 regulators, State bank supervisors, and
22 State credit union supervisors with respect
23 to information sharing matters involving
24 the Bank Secrecy Act and regulations pro-
25 mulgated thereunder;

1 “(v) establish safeguards to maintain
2 the confidentiality of communications be-
3 tween the persons described in clause (ii)
4 and the Office of Domestic Liaison;

5 “(vi) to the extent practicable, periodi-
6 cally propose to the Director changes in
7 the regulations, guidance, or orders of
8 FinCEN, including any legislative or ad-
9 ministrative changes that may be appro-
10 prium to ensure improved coordination and
11 expand information sharing under this
12 paragraph.

13 “(B) RULE OF CONSTRUCTION.—Nothing
14 in this paragraph may be construed to permit
15 the Domestic Liaisons to have authority over
16 supervision, examination, or enforcement proc-
17 esses.

18 “(6) ACCESS TO DOCUMENTS.—FinCEN, to the
19 extent practicable and consistent with appropriate
20 safeguards for sensitive enforcement-related, pre-
21 decisional, or deliberative information, shall ensure
22 that the Domestic Liaisons have full access to the
23 documents of FinCEN, as necessary to carry out the
24 functions of the Office of Domestic Liaison.

25 “(7) ANNUAL REPORTS.—

1 “(A) IN GENERAL.—Not later than 1 year
2 after the date of enactment of this subsection
3 and every 2 years thereafter for 5 years, the
4 Director shall submit to the Committee on
5 Banking, Housing, and Urban Affairs of the
6 Senate and the Committee on Financial Serv-
7 ices of the House of Representatives a report on
8 the objectives of the Office of Domestic Liaison
9 for the following fiscal year and the activities of
10 the Office during the immediately preceding fis-
11 cal year.

12 “(B) CONTENTS.—Each report required
13 under subparagraph (A) shall include—

14 “(i) appropriate statistical information
15 and full and substantive analysis;

16 “(ii) information on steps that the Of-
17 fice of Domestic Liaison has taken during
18 the reporting period to address feedback
19 received by financial institutions and exam-
20 iners of Federal functional regulators re-
21 lating to examinations under the Bank Se-
22 crecy Act;

23 “(iii) recommendations to the Director
24 for such administrative and legislative ac-
25 tions as may be appropriate to address in-

1 formation sharing and coordination issues
2 encountered by financial institutions or ex-
3 aminers of Federal functional regulators;
4 and

5 “(iv) any other information, as deter-
6 mined appropriate by the Director.

7 “(C) SENSITIVE INFORMATION.—Notwith-
8 standing subparagraph (D), FinCEN shall re-
9 view each report required under subparagraph
10 (A) before the report is submitted to ensure the
11 report does not disclose sensitive information.

12 “(D) INDEPENDENCE.—

13 “(i) IN GENERAL.—Each report re-
14 quired under subparagraph (A) shall be
15 provided directly to the committees listed
16 in that subparagraph, except that a Fed-
17 eral functional regulator, a State bank su-
18 pervisor, the Office of Management and
19 Budget, and a State credit union super-
20 visor shall have the opportunity for review
21 or comment before the submission of the
22 report.

23 “(ii) RULE OF CONSTRUCTION.—
24 Nothing in clause (i) may be construed to
25 preclude FinCEN or any other department

1 or agency from reviewing a report required
2 under subparagraph (A) for the sole pur-
3 pose of protecting—

4 “(I) sensitive information ob-
5 tained by a law enforcement agency;
6 and

7 “(II) classified information.

8 “(E) CLASSIFIED INFORMATION.—No re-
9 port required under subparagraph (A) may con-
10 tain classified information.

11 “(8) DEFINITIONS.—In this subsection:

12 “(A) BANK SECRECY ACT.—The term
13 ‘Bank Secrecy Act’ has the meaning given the
14 term in section 5003 of the Anti-Money Laun-
15 dering Act of 2020.

16 “(B) BSA OFFICER.—The term ‘BSA offi-
17 cer’ means an employee of a financial institu-
18 tion whose primary job responsibility involves
19 compliance with subchapter II of chapter 53.

20 “(C) FEDERAL FUNCTIONAL REGU-
21 LATOR.—The term ‘Federal functional regu-
22 lator’ has the meaning given the term in section
23 5003 of the Anti-Money Laundering Act of
24 2020.

1 “(D) FINANCIAL INSTITUTION.—The term
2 ‘financial institution’ has the meaning given
3 that term under section 5312.

4 “(E) STATE BANK SUPERVISOR; STATE
5 CREDIT UNION SUPERVISOR.—The terms ‘State
6 bank supervisor’ and ‘State credit union super-
7 visor’ have the meanings given the terms in sec-
8 tion 5003 of the Anti-Money Laundering Act of
9 2020.”.

10 **SEC. 5108. FOREIGN FINANCIAL INTELLIGENCE UNIT LIAI-**
11 **SONS.**

12 Section 310 of title 31, United States Code, as
13 amended by sections 5103, 5105, and 5107 of this divi-
14 sion, is amended by inserting after subsection (g) the fol-
15 lowing:

16 “(h) FINCEN FOREIGN FINANCIAL INTELLIGENCE
17 UNIT LIAISONS.—

18 “(1) IN GENERAL.—The Director of FinCEN
19 shall appoint not more than 6 Foreign Financial In-
20 telligence Unit Liaisons, who shall—

21 “(A) be knowledgeable about domestic and
22 international anti-money laundering or coun-
23 tering the financing of terrorism laws and regu-
24 lations;

1 “(B) possess a technical understanding of
2 the Bank Secrecy Act (as defined in section
3 5003 of the Anti-Money Laundering Act of
4 2020), the protocols of the Egmont Group of
5 Financial Intelligence Units, and the Financial
6 Action Task Force and the recommendations
7 issued by that Task Force;

8 “(C) be co-located in a United States em-
9 bassy, a similar United States Government fa-
10 cility, or a foreign government facility, as ap-
11 propriate;

12 “(D) facilitate capacity building and per-
13 form outreach with respect to anti-money laun-
14 dering and countering the financing of ter-
15 rorism regulatory and analytical frameworks;

16 “(E) establish and maintain relationships
17 with officials from foreign intelligence units,
18 regulatory authorities, ministries of finance,
19 central banks, law enforcement agencies, and
20 other competent authorities;

21 “(F) participate in industry outreach en-
22 gagements with foreign financial institutions
23 and other commercial actors on anti-money
24 laundering and countering the financing of ter-
25 rorism issues;

1 “(G) as appropriate, coordinate with rep-
2 representatives of the Department of Justice at
3 United States Embassies who perform similar
4 functions on behalf of the United States Gov-
5 ernment; and

6 “(H) perform such other duties as the Di-
7 rector determines to be appropriate.

8 “(2) COMPENSATION.—Each Foreign Financial
9 Intelligence Unit Liaison appointed under paragraph
10 (1) shall receive compensation at the higher of—

11 “(A) the rate of compensation paid to a
12 Foreign Service officer at a comparable career
13 level serving at the same embassy or facility, as
14 applicable; or

15 “(B) the rate of compensation that the Li-
16 aision would have otherwise received.”.

17 **SEC. 5109. PROTECTION OF INFORMATION EXCHANGED**
18 **WITH FOREIGN LAW ENFORCEMENT AND FI-**
19 **NANCIAL INTELLIGENCE UNITS.**

20 (a) IN GENERAL.—Section 310 of title 31, United
21 States Code, as amended by sections 5103, 5105, 5107,
22 and 5108 of this division, is amended by inserting after
23 subsection (h) the following:

1 “(i) PROTECTION OF INFORMATION OBTAINED BY
2 FOREIGN LAW ENFORCEMENT AND FINANCIAL INTEL-
3 LIGENCE UNITS; FREEDOM OF INFORMATION ACT.—

4 “(1) DEFINITIONS.—In this subsection:

5 “(A) FOREIGN ANTI-MONEY LAUNDERING
6 AND COUNTERING THE FINANCING OF TER-
7 RORISM AUTHORITY.—The term ‘foreign anti-
8 money laundering and countering the financing
9 of terrorism authority’ means any foreign agen-
10 cy or authority that is empowered under foreign
11 law to regulate or supervise foreign financial in-
12 stitutions (or designated non-financial busi-
13 nesses and professions) with respect to laws
14 concerning anti-money laundering and coun-
15 tering the financing of terrorism and prolifera-
16 tion.

17 “(B) FOREIGN FINANCIAL INTELLIGENCE
18 UNIT.—The term ‘foreign financial intelligence
19 unit’ means any foreign agency or authority, in-
20 cluding a foreign financial intelligence unit that
21 is a member of the Egmont Group of Financial
22 Intelligence Units, that is empowered under for-
23 eign law as a jurisdiction’s national center
24 for—

1 “(i) receipt and analysis of suspicious
2 transaction reports and other information
3 relevant to money laundering, associate
4 predicate offenses, and financing of ter-
5 rorism; and

6 “(ii) the dissemination of the results
7 of the analysis described in clause (i).

8 “(C) FOREIGN LAW ENFORCEMENT AU-
9 THORITY.—The term ‘foreign law enforcement
10 authority’ means any foreign agency or author-
11 ity that is empowered under foreign law to de-
12 tect, investigate, or prosecute potential viola-
13 tions of law.

14 “(2) INFORMATION EXCHANGED WITH FOREIGN
15 LAW ENFORCEMENT AUTHORITIES, FOREIGN FINAN-
16 CIAL INTELLIGENCE UNITS, AND FOREIGN ANTI-
17 MONEY LAUNDERING AND COUNTERING THE FI-
18 NANCING OF TERRORISM AUTHORITIES.—

19 “(A) IN GENERAL.—The Department of
20 the Treasury may not be compelled to search
21 for or disclose information exchanged with a
22 foreign law enforcement authority, foreign fi-
23 nancial intelligence unit, or foreign anti-money
24 laundering and countering the financing of ter-
25 rorism authority.

1 “(B) INAPPLICABILITY OF FREEDOM OF
2 INFORMATION ACT.—

3 “(i) IN GENERAL.—Section 552(a)(3)
4 of title 5 (commonly referred to as the
5 ‘Freedom of Information Act’) shall not
6 apply to any request for records or infor-
7 mation exchanged between the Department
8 of the Treasury and a foreign law enforce-
9 ment authority, foreign financial intel-
10 ligence unit, or foreign anti-money laun-
11 dering and countering the financing of ter-
12 rorism authority.

13 “(ii) SPECIFICALLY EXEMPTED BY
14 STATUTE.—For purposes of section 552 of
15 title 5, this paragraph shall be considered
16 a statute described in subsection (b)(3)(B)
17 of that section.

18 “(3) SAVINGS PROVISION.—Nothing in this sec-
19 tion shall authorize the Department of the Treasury
20 to withhold information from Congress or prevent
21 the Department of the Treasury from complying
22 with an order of a court of the United States in an
23 action commenced by the United States.”.

1 (b) AVAILABILITY OF REPORTS.—Section 5319 of
2 title 31, United States Code, is amended, in the fourth
3 sentence, by inserting “search and” before “disclosure”.

4 **SEC. 5110. ASSESSMENT OF BANK SECRECY ACT APPLICA-**
5 **TION TO DEALERS IN ARTS AND ANTIQ-**
6 **UITIES.**

7 (a) STUDY ON THE FACILITATION OF MONEY LAUN-
8 DERING AND TERROR FINANCE THROUGH THE TRADE OF
9 WORKS OF ART OR ANTIQUITIES.—The Secretary, in co-
10 ordination with the Director of the Federal Bureau of In-
11 vestigation, the Attorney General, and the Secretary of
12 Homeland Security, shall perform a study on the facilita-
13 tion of money laundering and the financing of terrorism
14 through the trade of works of art or antiquities, including
15 an analysis of—

16 (1) the extent to which the facilitation of money
17 laundering and the financing of terrorism through
18 the trade of works of art or antiquities may enter
19 or affect the financial system of the United States,
20 including any qualitative data or statistics;

21 (2) an evaluation of which markets, by size, do-
22 mestic or international geographical locations, or
23 otherwise, should be subject to any regulations de-
24 scribed in paragraph (3);

1 (1) IN GENERAL.—There is authorized to be
2 appropriated to the Secretary for each of fiscal years
3 2020 through 2024 for the purpose described in
4 paragraph (2) an amount equal to twice the amount
5 authorized to be appropriated for that purpose for
6 fiscal year 2019.

7 (2) PURPOSE DESCRIBED.—The purpose de-
8 scribed in this paragraph is the provision of tech-
9 nical assistance to foreign countries, and financial
10 institutions in foreign countries, that promotes com-
11 pliance with international standards and best prac-
12 tices, including in particular international standards
13 and best practices relating to the establishment of
14 effective anti-money laundering programs and pro-
15 grams for countering the financing of terrorism.

16 (3) SENSE OF CONGRESS.—It is the sense of
17 Congress that this subsection could affect a number
18 of Federal agencies and departments and the Sec-
19 retary should, as appropriate, consult with the heads
20 of those affected agencies and departments, includ-
21 ing the Attorney General, in providing the technical
22 assistance required under this subsection.

23 (b) REPORT ON TECHNICAL ASSISTANCE PROVIDED
24 BY OFFICE OF TECHNICAL ASSISTANCE.—

1 (1) IN GENERAL.—Not later than 1 year after
2 the date of enactment of this Act, and every 2 years
3 thereafter for 5 years, the Secretary shall submit to
4 Congress a report on the assistance described in
5 subsection (a)(2) provided by the Office of Technical
6 Assistance of the Department of the Treasury.

7 (2) ELEMENTS.—Each report required under
8 paragraph (1) shall include—

9 (A) a description of the strategic goals of
10 the Office of Technical Assistance in the year
11 preceding submission of the report, including an
12 explanation of how technical assistance provided
13 by the Office in that year advanced those goals;

14 (B) a description of technical assistance
15 provided by the Office in that year, including
16 the objectives and delivery methods of the as-
17 sistance;

18 (C) a list of beneficiaries and providers
19 (other than Office staff) of the technical assist-
20 ance during that year; and

21 (D) a description of how—

22 (i) technical assistance provided by
23 the Office complements, duplicates, or oth-
24 erwise affects or is affected by technical
25 assistance provided by the international fi-

1 nancial institutions (as defined in section
2 1701(c) of the International Financial In-
3 stitutions Act (22 U.S.C. 262r(c))); and

4 (ii) efforts to coordinate the technical
5 assistance described in clause (i).

6 **SEC. 5112. INTERNATIONAL COORDINATION.**

7 (a) IN GENERAL.—The Secretary shall work with for-
8 eign counterparts of the Secretary, including through bi-
9 lateral contacts, the Financial Action Task Force, the
10 International Monetary Fund, the World Bank, the
11 Egmont Group of Financial Intelligence Units, the
12 Organisation for Economic Co-operation and Develop-
13 ment, the Basel Committee on Banking Supervision, and
14 the United Nations, to promote stronger anti-money laun-
15 dering frameworks and enforcement of anti-money laun-
16 dering laws.

17 (b) NATIONAL ADVISORY COUNCIL REPORT TO CON-
18 GRESS.—The Chairman of the National Advisory Council
19 on International Monetary and Financial Policies shall in-
20 clude in each report required by section 1701 of the Inter-
21 national Financial Institutions Act (22 U.S.C. 262r) after
22 the date of enactment of this Act a description of—

23 (1) the activities of the International Monetary
24 Fund in the fiscal year covered by the report to pro-
25 vide technical assistance that strengthens the capac-

1 ity of members of the Fund to prevent money laun-
2 dering and the financing of terrorism, and the effec-
3 tiveness of the assistance; and

4 (2) the efficacy of efforts by the United States
5 to support such technical assistance through the use
6 of the Fund’s administrative budget, and the level of
7 such support.

8 **TITLE LII—MODERNIZING THE**
9 **ANTI-MONEY LAUNDERING**
10 **AND COUNTERING THE FI-**
11 **NANCING OF TERRORISM SYS-**
12 **TEM**

13 **SEC. 5201. ANNUAL REPORTING REQUIREMENTS.**

14 (a) ANNUAL REPORT.—Not later than 1 year after
15 the date of enactment of this Act, and annually thereafter,
16 the Attorney General, in consultation with the Secretary,
17 Federal law enforcement agencies, the Director of Na-
18 tional Intelligence, Federal functional regulators, and the
19 heads of other appropriate Federal agencies, shall submit
20 to the Secretary a report that contains statistics, metrics,
21 and other information on the use of data derived from fi-
22 nancial institutions reporting under the Bank Secrecy Act
23 (referred to in this subsection as the “reported data”), in-
24 cluding—

1 (1) the frequency with which the reported data
2 contains actionable information that leads to—

3 (A) further procedures by law enforcement
4 agencies, including the use of a subpoena, war-
5 rant, or other legal process; or

6 (B) actions taken by intelligence, national
7 security, or homeland security agencies;

8 (2) calculations of the time between the date on
9 which the reported data is reported and the date on
10 which the reported data is used by law enforcement,
11 intelligence, national security, or homeland security
12 agencies, whether through the use of—

13 (A) a subpoena or warrant; or

14 (B) other legal process or action;

15 (3) an analysis of the transactions associated
16 with the reported data, including whether—

17 (A) the suspicious accounts that are the
18 subject of the reported data were held by legal
19 entities or individuals; and

20 (B) there are trends and patterns in cross-
21 border transactions to certain countries;

22 (4) the number of legal entities and individuals
23 identified by the reported data;

24 (5) information on the extent to which arrests,
25 indictments, convictions, criminal pleas, civil enforce-

1 ment or forfeiture actions, or actions by national se-
2 curity, intelligence, or homeland security agencies
3 were related to the use of the reported data; and

4 (6) data on the investigations carried out by
5 State and Federal authorities resulting from the re-
6 ported data.

7 (b) REPORT.—Beginning with the fifth report sub-
8 mitted under subsection (a), and once every 5 years there-
9 after, that report shall include a section describing the use
10 of data derived from reporting by financial institutions
11 under the Bank Secrecy Act over the 5 years preceding
12 the date on which the report is submitted, which shall in-
13 clude a description of long-term trends and the use of
14 long-term statistics, metrics, and other information.

15 (c) TRENDS, PATTERNS, AND THREATS.—Each re-
16 port required under subsection (a) and each section in-
17 cluded under subsection (b) shall contain a description of
18 retrospective trends and emerging patterns and threats in
19 money laundering and the financing of terrorism, includ-
20 ing national and regional trends, patterns, and threats rel-
21 evant to the classes of financial institutions that the Attor-
22 ney General determines appropriate.

23 (d) USE OF REPORT INFORMATION.—The Secretary
24 shall use the information reported under subsections (a),
25 (b), and (c)—

1 (1) to help assess the usefulness of reporting
2 under the Bank Secrecy Act to—

3 (A) criminal and civil law enforcement
4 agencies;

5 (B) intelligence, defense, and homeland se-
6 curity agencies; and

7 (C) Federal functional regulators;

8 (2) to enhance feedback and communications
9 with financial institutions and other entities subject
10 to requirements under the Bank Secrecy Act, includ-
11 ing by providing more detail in the reports published
12 and distributed under section 314(d) of the USA
13 PATRIOT Act (31 U.S.C. 5311 note);

14 (3) to assist FinCEN in considering revisions to
15 the reporting requirements promulgated under sec-
16 tion 314(d) of the USA PATRIOT Act (31 U.S.C.
17 5311 note); and

18 (4) for any other purpose the Secretary deter-
19 mines is appropriate.

20 (e) CONFIDENTIALITY.—Any information received by
21 a financial institution under this section shall be subject
22 to confidentiality requirements established by the Sec-
23 retary.

1 **SEC. 5202. ADDITIONAL CONSIDERATIONS FOR SUSPICIOUS**
2 **ACTIVITY REPORTING REQUIREMENTS.**

3 Section 5318(g) of title 31, United States Code, is
4 amended by adding at the end the following:

5 “(5) CONSIDERATIONS IN IMPOSING REPORTING
6 REQUIREMENTS.—

7 “(A) DEFINITIONS.—In this paragraph,
8 the terms ‘Bank Secrecy Act’, ‘Federal func-
9 tional regulator’, ‘State bank supervisor’, and
10 ‘State credit union supervisor’ have the mean-
11 ings given the terms in section 5003 of the
12 Anti-Money Laundering Act of 2020.

13 “(B) REQUIREMENTS.—In imposing any
14 requirement to report any suspicious trans-
15 action under this subsection, the Secretary of
16 the Treasury, in consultation with the Attorney
17 General, appropriate representatives of State
18 bank supervisors, State credit union super-
19 visors, and the Federal functional regulators,
20 shall consider items that include—

21 “(i) the national priorities established
22 by the Secretary;

23 “(ii) the purposes described in section
24 5311; and

25 “(iii) the means by or form in which
26 the Secretary shall receive such reporting,

1 including the burdens imposed by such
2 means or form of reporting on persons re-
3 quired to provide such reporting, the effi-
4 ciency of the means or form, and the bene-
5 fits derived by the means or form of re-
6 porting by Federal law enforcement agen-
7 cies and the intelligence community in
8 countering financial crime, including
9 money laundering and the financing of ter-
10 rorism.

11 “(C) COMPLIANCE PROGRAM.—Reports
12 filed under this subsection shall be guided by
13 the compliance program of a covered financial
14 institution with respect to the Bank Secrecy
15 Act, including the risk assessment processes of
16 the covered institution that should include a
17 consideration of priorities established by the
18 Secretary of the Treasury under section 5318.

19 “(D) STREAMLINED DATA AND REAL-TIME
20 REPORTING.—

21 “(i) REQUIREMENT TO ESTABLISH
22 SYSTEM.—In considering the means by or
23 form in which the Secretary of the Treas-
24 ury shall receive reporting pursuant to
25 subparagraph (B)(iii), the Secretary of the

1 Treasury, acting through the Director of
2 the Financial Crimes Enforcement Net-
3 work, and in consultation with appropriate
4 representatives of the State bank super-
5 visors, State credit union supervisors, and
6 Federal functional regulators, shall—

7 “(I) establish streamlined, includ-
8 ing automated, processes to, as appro-
9 priate, permit the filing of noncomplex
10 categories of reports that—

11 “(aa) reduce burdens im-
12 posed on persons required to re-
13 port; and

14 “(bb) do not diminish the
15 usefulness of the reporting to
16 Federal law enforcement agen-
17 cies, national security officials,
18 and the intelligence community
19 in combating financial crime, in-
20 cluding the financing of ter-
21 rorism;

22 “(II) subject to clause (ii)—

23 “(aa) permit streamlined,
24 including automated, reporting

1 for the categories described in
2 subclause (I); and

3 “(bb) establish the condi-
4 tions under which the reporting
5 described in item (aa) is per-
6 mitted; and

7 “(III) establish additional sys-
8 tems and processes as necessary to
9 allow for the reporting described in
10 item (aa).

11 “(ii) STANDARDS.—The Secretary of
12 the Treasury—

13 “(I) in carrying out clause (i),
14 shall establish standards to ensure
15 that streamlined reports relate to sus-
16 picious transactions relevant to poten-
17 tial violations of law (including regula-
18 tions); and

19 “(II) in establishing the stand-
20 ards under subclause (I), shall con-
21 sider transactions, including struc-
22 tured transactions, designed to evade
23 any regulation promulgated under this
24 subchapter, certain fund and asset
25 transfers with lower apparent eco-

1 nomic or business purpose, trans-
2 actions without lawful purposes, and
3 any other transaction that the Sec-
4 retary determines to be appropriate.

5 “(iii) RULE OF CONSTRUCTION.—
6 Nothing in this subparagraph may be con-
7 strued to preclude the Secretary of the
8 Treasury from—

9 “(I) requiring reporting as pro-
10 vided for in subparagraphs (B) and
11 (C); or

12 “(II) notifying Federal law en-
13 forcement with respect to any trans-
14 action that the Secretary has deter-
15 mined implicates a national priority
16 established by the Secretary.”.

17 **SEC. 5203. LAW ENFORCEMENT FEEDBACK ON SUSPICIOUS**
18 **ACTIVITY REPORTS.**

19 (a) FEEDBACK.—

20 (1) IN GENERAL.—FinCEN shall, to the extent
21 practicable, periodically solicit feedback from individ-
22 uals designated under section 5318(h)(1)(B) of title
23 31, United States Code, by a variety of financial in-
24 stitutions representing a cross-section of the report-
25 ing industry to review the suspicious activity reports

1 filed by those financial institutions and discuss
2 trends in suspicious activity observed by FinCEN.

3 (2) COORDINATION WITH FEDERAL FUNC-
4 TIONAL REGULATORS AND STATE BANK SUPER-
5 VISORS AND STATE CREDIT UNION SUPERVISORS.—
6 FinCEN shall provide any feedback solicited under
7 paragraph (1) to the appropriate Federal functional
8 regulator, State bank supervisor, or State credit
9 union supervisor during the regularly scheduled ex-
10 amination of the applicable financial institution by
11 the Federal functional regulator, State bank super-
12 visor, or State credit union supervisor, as applicable.

13 (b) DISCLOSURE REQUIRED.—

14 (1) IN GENERAL.—

15 (A) PERIODIC DISCLOSURE.—Except as
16 provided in paragraph (2), FinCEN shall, to
17 the extent practicable, periodically disclose to
18 each financial institution, in summary form, in-
19 formation on suspicious activity reports filed
20 that proved useful to Federal or State criminal
21 or civil law enforcement agencies during the pe-
22 riod since the most recent disclosure under this
23 paragraph to the financial institution.

24 (B) RULE OF CONSTRUCTION.—Nothing in
25 this paragraph may be construed to require the

1 public disclosure of any information filed with
2 the Department of the Treasury under the
3 Bank Secrecy Act.

4 (2) EXCEPTION FOR ONGOING AND CLOSED IN-
5 VESTIGATIONS AND TO PROTECT NATIONAL SECU-
6 RITY.—FinCEN shall not be required to disclose to
7 a financial institution any information under para-
8 graph (1) that relates to an ongoing investigation or
9 implicates the national security of the United States.

10 (3) MAINTENANCE OF STATISTICS.—With re-
11 spect to the actions described in paragraph (1),
12 FinCEN shall keep records of all such actions taken
13 to assist with the production of the reports described
14 in paragraph (5) of section 5318(g) of title 31,
15 United States Code, as added by section 5202 of
16 this division, and for other purposes.

17 (4) COORDINATION WITH DEPARTMENT OF JUS-
18 TICE.—The information disclosed by FinCEN under
19 this subsection shall include information from the
20 Department of Justice regarding—

21 (A) the review and use by the Department
22 of suspicious activity reports filed by the appli-
23 cable financial institution during the period
24 since the most recent disclosure under this sub-
25 section; and

1 (B) any trends in suspicious activity ob-
2 served by the Department.

3 **SEC. 5204. STREAMLINING REQUIREMENTS FOR CURRENCY**
4 **TRANSACTION REPORTS AND SUSPICIOUS**
5 **ACTIVITY REPORTS.**

6 (a) REVIEW.—The Secretary, in consultation with the
7 Attorney General, Federal law enforcement agencies, the
8 Secretary of Homeland Security, the Federal functional
9 regulators, State bank supervisors, State credit union su-
10 pervisors, and other relevant stakeholders, shall undertake
11 a formal review of the financial institution reporting re-
12 quirements relating to currency transaction reports and
13 suspicious activity reports, as in effect on the date of en-
14 actment of this Act, including the processes used to sub-
15 mit reports under the Bank Secrecy Act, regulations im-
16 plementing the Bank Secrecy Act, and related guidance,
17 and propose changes to those reports to reduce any unnee-
18 essarily burdensome regulatory requirements and ensure
19 that the information provided fulfills the purposes de-
20 scribed in section 5311 of title 31, United States Code,
21 as amended by section 5101(a).

22 (b) CONTENTS.—The review required under sub-
23 section (a) shall—

1 (1) rely substantially on information obtained
2 through the BSA Data Value Analysis Project con-
3 ducted by FinCEN; and

4 (2) include a study of—

5 (A) whether the circumstances under
6 which a financial institution determines whether
7 to file a continuing suspicious activity report,
8 including insider abuse, or the processes fol-
9 lowed by a financial institution in determining
10 whether to file a continuing suspicious activity
11 report, or both, should be adjusted;

12 (B) whether different thresholds should
13 apply to different categories of activities;

14 (C) the fields designated as critical on the
15 suspicious activity report form, the fields on the
16 currency transaction report form, and whether
17 the number or nature of the fields on those
18 forms should be adjusted;

19 (D) the categories, types, and characteris-
20 tics of suspicious activity reports and currency
21 transaction reports that are of the greatest
22 value to, and that best support, investigative
23 priorities of law enforcement and national secu-
24 rity agencies;

1 (E) the increased use or expansion of ex-
2 emption provisions to reduce currency trans-
3 action reports that may be of little or no value
4 to the efforts of law enforcement agencies;

5 (F) the most appropriate ways to promote
6 financial inclusion and address the adverse con-
7 sequences of financial institutions de-risking en-
8 tire categories of relationships, including char-
9 ities, embassy accounts, and money service
10 businesses (as defined in section 1010.100(ff)
11 of title 31, Code of Federal Regulations), and
12 certain groups of correspondent banks without
13 conducting a proper assessment of the specific
14 risk of each individual member of these popu-
15 lations;

16 (G) the current financial institution report-
17 ing requirements under the Bank Secrecy Act
18 and regulations and guidance implementing the
19 Bank Secrecy Act;

20 (H) whether the process for the electronic
21 submission of reports could be improved for
22 both financial institutions and law enforcement
23 agencies, including by allowing greater integra-
24 tion between financial institution systems and
25 the electronic filing system to allow for auto-

1 matic population of report fields and the auto-
2 matic submission of transaction data for sus-
3 picious transactions, without bypassing the obli-
4 gation of each reporting financial institution to
5 assess the specific risk of the transactions re-
6 ported;

7 (I) the appropriate manner in which to en-
8 sure the security and confidentiality of personal
9 information;

10 (J) how to improve the cross-referencing of
11 individuals or entities operating at multiple fi-
12 nancial institutions and across international
13 borders;

14 (K) whether there are ways to improve
15 current transaction report aggregation for enti-
16 ties with common ownership; and

17 (L) any other matter the Secretary deter-
18 mines is appropriate.

19 (c) REPORT.—Not later than 1 year after the date
20 of enactment of this Act, the Secretary, in consultation
21 with the Attorney General, Federal law enforcement agen-
22 cies, the Director of National Intelligence, the Secretary
23 of Homeland Security, and the Federal functional regu-
24 lators, shall—

1 (1) submit to Congress a report that contains
2 all findings and determinations made in carrying out
3 the review required under subsection (a); and

4 (2) propose rulemakings, as appropriate, to im-
5 plement the findings and determinations described in
6 paragraph (1).

7 **SEC. 5205. CURRENCY TRANSACTION REPORTS AND SUS-**
8 **PICIOUS ACTIVITY REPORTS THRESHOLDS**
9 **REVIEW.**

10 (a) **REVIEW OF THRESHOLDS FOR CERTAIN CUR-**
11 **RENCY TRANSACTION REPORTS.**—The Secretary, in con-
12 sultation with the Attorney General, the Director of Na-
13 tional Intelligence, the Secretary of Homeland Security,
14 the Federal functional regulators, State bank supervisors,
15 State credit union supervisors, and other relevant stake-
16 holders, shall study and determine whether the dollar
17 thresholds, including aggregate thresholds, under sections
18 5313, 5318(g), and 5331 of title 31, United States Code,
19 including regulations issued under those sections, should
20 be adjusted.

21 (b) **CONSIDERATIONS.**—In making the determina-
22 tions required under subsection (a), the Secretary, in con-
23 sultation with the Attorney General, the Director of Na-
24 tional Intelligence, the Secretary of Homeland Security,
25 the Federal functional regulators, State bank supervisors,

1 State credit union supervisors, and other relevant stake-
2 holders, shall consider—

3 (1) the effects that adjusting the thresholds
4 would have on law enforcement, intelligence, national
5 security, and homeland security agencies;

6 (2) the costs likely to be incurred or saved by
7 financial institutions from any adjustment to the
8 thresholds;

9 (3) whether adjusting the thresholds would bet-
10 ter conform the United States with international
11 norms and standards to counter money laundering
12 and the financing of terrorism; and

13 (4) any other matter that the Secretary deter-
14 mines is appropriate.

15 (c) REPORT AND RULEMAKINGS.—Not later than 1
16 year after the date of enactment of this Act, the Secretary,
17 in consultation with the Attorney General, the Director
18 of National Intelligence, the Secretary of Homeland Secu-
19 rity, the Federal functional regulators, State bank super-
20 visors, State credit union supervisors, and other relevant
21 stakeholders, shall—

22 (1) publish a report of the findings from the
23 study required under subsection (a); and

24 (2) propose rulemakings, as appropriate, to im-
25 plement the findings described in paragraph (1).

1 **SEC. 5206. SHARING OF THREAT PATTERN AND TREND IN-**
2 **FORMATION.**

3 Section 5318(g) of title 31, United States Code, as
4 amended by section 5202 of this division, is amended by
5 adding at the end the following:

6 “(6) SHARING OF THREAT PATTERN AND
7 TREND INFORMATION.—

8 “(A) DEFINITIONS.—In this paragraph—

9 “(i) the terms ‘Bank Secrecy Act’ and
10 ‘Federal functional regulator’ have the
11 meanings given the terms in section 5003
12 of the Anti-Money Laundering Act of
13 2020; and

14 “(ii) the term ‘typology’ means a tech-
15 nique to launder money or finance ter-
16 rorism.

17 “(B) SUSPICIOUS ACTIVITY REPORT ACTIV-
18 ITY REVIEW.—Not less frequently than semi-
19 annually, the Director of the Financial Crimes
20 Enforcement Network shall publish threat pat-
21 tern and trend information to provide meaning-
22 ful information about the preparation, use, and
23 value of reports filed under this subsection by
24 financial institutions, as well as other reports
25 filed by financial institutions under the Bank
26 Secrecy Act.

1 “(C) INCLUSION OF TYPOLOGIES.—In each
2 publication published under subparagraph (B),
3 the Director shall provide financial institutions
4 and the Federal functional regulators with
5 typologies, including data that can be adapted
6 in algorithms if appropriate, relating to emerg-
7 ing money laundering and terrorist financing
8 threat patterns and trends.

9 “(7) RULES OF CONSTRUCTION.—Nothing in
10 this subsection may be construed as precluding the
11 Secretary of the Treasury from—

12 “(A) requiring reporting as provided under
13 subparagraphs (A) and (B) of paragraph (6);
14 or

15 “(B) notifying a Federal law enforcement
16 agency with respect to any transaction that the
17 Secretary has determined directly implicates a
18 national priority established by the Secretary.”.

19 **SEC. 5207. SUBCOMMITTEE ON INNOVATION AND TECH-**
20 **NOLOGY.**

21 Section 1564 of the Annunzio-Wylie Anti-Money
22 Laundering Act (31 U.S.C. 5311 note) is amended by
23 adding at the end the following:

24 “(d) SUBCOMMITTEE ON INNOVATION AND TECH-
25 NOLOGY.—

1 “(1) DEFINITIONS.—In this subsection, the
2 terms ‘Bank Secrecy Act’, ‘State bank supervisor’,
3 and ‘State credit union supervisor’ have the mean-
4 ings given the terms in section 5003 of the Anti-
5 Money Laundering Act of 2020.

6 “(2) ESTABLISHMENT.—There shall be within
7 the Bank Secrecy Act Advisory Group a sub-
8 committee to be known as the ‘Subcommittee on In-
9 novation and Technology’ to—

10 “(A) advise the Secretary of the Treasury
11 regarding means by which the Department of
12 the Treasury, FinCEN, the Federal functional
13 regulators, State bank supervisors, and State
14 credit union supervisors, as appropriate, can
15 most effectively encourage and support techno-
16 logical innovation in the area of anti-money
17 laundering and countering the financing of ter-
18 rorism and proliferation; and

19 “(B) reduce, to the extent practicable, ob-
20 stacles to innovation that may arise from exist-
21 ing regulations, guidance, and examination
22 practices related to compliance of financial in-
23 stitutions with the Bank Secrecy Act.

24 “(3) MEMBERSHIP.—

1 “(A) IN GENERAL.—The subcommittee es-
2 tablished under paragraph (1) shall consist of
3 the representatives of the heads of the Federal
4 functional regulators, a representative of State
5 bank supervisors, a representative of State
6 credit union supervisors, representatives of a
7 cross-section of financial institutions subject to
8 the Bank Secrecy Act, law enforcement,
9 FinCEN, and any other representative as deter-
10 mined by the Secretary of the Treasury.

11 “(B) REQUIREMENTS.—Each agency rep-
12 resentative described in subparagraph (A) shall
13 be an individual who has demonstrated knowl-
14 edge and competence concerning the application
15 of the Bank Secrecy Act.

16 “(4) SUNSET.—

17 “(A) IN GENERAL.—Except as provided in
18 subparagraph (B), the Subcommittee on Inno-
19 vation and Technology shall terminate on the
20 date that is 5 years after the date of enactment
21 of this subsection.

22 “(B) EXCEPTION.—The Secretary of the
23 Treasury may renew the Subcommittee on In-
24 novation for 1-year periods beginning on the

1 date that is 5 years after the date of enactment
2 of this subsection.”.

3 **SEC. 5208. FINANCIAL TECHNOLOGY ASSESSMENT.**

4 (a) IN GENERAL.—The Secretary, in consultation
5 with financial regulators, technology experts, national se-
6 curity experts, law enforcement, and any other group the
7 Secretary determines is appropriate, shall analyze the im-
8 pact of financial technology on financial crimes compli-
9 ance, including money laundering, the financing of ter-
10 rorism, proliferation finance, serious tax fraud, human
11 and drug trafficking, sanctions evasion, and other illicit
12 finance.

13 (b) COORDINATION.—In carrying out the duties re-
14 quired under this section, the Secretary shall coordinate
15 with and consider other interagency efforts and data relat-
16 ing to examining the impact of financial technology, in-
17 cluding activities conducted by—

18 (1) cyber security working groups at the De-
19 partment of the Treasury;

20 (2) cyber security experts identified by the At-
21 torney General and the Secretary of Homeland Se-
22 curity;

23 (3) the intelligence community; and

24 (4) the Financial Stability Oversight Council.

1 (c) REPORT.—Not later than 1 year after the date
2 of enactment of this Act, the Secretary shall submit to
3 the Committee on Banking, Housing, and Urban Affairs
4 and the Committee on Foreign Relations of the Senate
5 and the Committee on Financial Services and the Com-
6 mittee on Foreign Affairs of the House of Representatives
7 a report containing any findings under subsection (a), in-
8 cluding legislative and administrative recommendations.

9 **SEC. 5209. FINANCIAL CRIMES TECH SYMPOSIUM.**

10 (a) PURPOSE.—The purposes of this section are to—

11 (1) promote greater international collaboration
12 in the effort to prevent and detect financial crimes
13 and suspicious activities; and

14 (2) facilitate the investigation, development,
15 and timely adoption of new technologies aimed at
16 preventing and detecting financial crimes and other
17 illicit activities.

18 (b) PERIODIC MEETINGS.—The Secretary shall, in
19 coordination with the Subcommittee on Innovation and
20 Technology established under subsection (d) of section
21 1564 of the Annunzio-Wylie Anti-Money Laundering Act,
22 as added by section 5207 of this division, periodically con-
23 vene a global anti-money laundering and financial crime
24 symposium focused on how new technology can be used

1 to more effectively combat financial crimes and other illicit
2 activities.

3 (c) ATTENDEES.—Attendees at each symposium con-
4 vened under this section shall include domestic and inter-
5 national financial regulators, senior executives from regu-
6 lated firms, technology providers, representatives from law
7 enforcement agencies, academic and other experts, and
8 other individuals that the Secretary determines are appro-
9 priate.

10 (d) PANELS.—At each symposium convened under
11 this section, the Secretary shall convene panels in order
12 to review new technologies and permit attendees to dem-
13 onstrate proof of concept.

14 (e) IMPLEMENTATION AND REPORTS.—The Sec-
15 retary shall, to the extent practicable and necessary, work
16 to provide policy clarity, which may include providing re-
17 ports or guidance to stakeholders, regarding innovative
18 technologies and practices presented at each symposium
19 convened under this section, to the extent that those tech-
20 nologies and practices further the purposes of this section.

21 (f) FINCEN BRIEFING.—Not later than 90 days
22 after the date of enactment of this Act, the Director of
23 FinCEN shall brief the Committee on Banking, Housing,
24 and Urban Affairs of the Senate and the Committee on

1 Financial Services of the House of Representatives on the
2 use of emerging technologies, including—

3 (1) the status of implementation and internal
4 use of emerging technologies, including artificial in-
5 telligence, digital identity technologies, distributed
6 ledger technologies, and other innovative tech-
7 nologies within FinCEN;

8 (2) whether artificial intelligence, digital iden-
9 tity technologies, distributed ledger technologies, and
10 other innovative technologies can be further lever-
11 aged to make data analysis by FinCEN more effi-
12 cient and effective;

13 (3) whether FinCEN could better use artificial
14 intelligence, digital identity technologies, distributed
15 ledger technologies, and other innovative tech-
16 nologies to—

17 (A) more actively analyze and disseminate
18 the information FinCEN collects and stores to
19 provide investigative leads to Federal, State,
20 Tribal, and local law enforcement agencies and
21 other Federal agencies; and

22 (B) better support ongoing investigations
23 by FinCEN when referring a case to the agen-
24 cies described in subparagraph (A);

1 (4) with respect to each of paragraphs (1), (2),
2 and (3), any best practices or significant concerns
3 identified by the Director, and their applicability to
4 artificial intelligence, digital identity technologies,
5 distributed ledger technologies, and other innovative
6 technologies with respect to United States efforts to
7 combat money laundering and other forms of illicit
8 finance;

9 (5) any policy recommendations that could fa-
10 cilitate and improve communication and coordination
11 between the private sector, FinCEN, and the agen-
12 cies described in paragraph (3) through the imple-
13 mentation of innovative approaches to meet the obli-
14 gations of the agencies under the Bank Secrecy Act
15 and anti-money laundering compliance; and

16 (6) any other matter the Director determines is
17 appropriate.

18 **SEC. 5210. PILOT PROGRAM ON SHARING OF INFORMATION**
19 **RELATED TO SUSPICIOUS ACTIVITY REPORTS**
20 **WITHIN A FINANCIAL GROUP.**

21 (a) SHARING WITH FOREIGN BRANCHES AND AF-
22 FILIATES.—Section 5318(g) of title 31, United States
23 Code, as amended by sections 5202 and 5203 of this divi-
24 sion, is amended by adding at the end the following:

1 data security and the confidentiality
2 of personally identifiable information.

3 “(B) PILOT PROGRAM DESCRIBED.—The
4 pilot program described in this paragraph
5 shall—

6 “(i) permit a financial institution with
7 a reporting obligation under this sub-
8 section to share information related to re-
9 ports under this subsection, including that
10 such a report has been filed, with the insti-
11 tution’s foreign branches, subsidiaries, and
12 affiliates for the purpose of combating il-
13 licit finance risks, notwithstanding any
14 other provision of law except subparagraph
15 (A) or (C);

16 “(ii) permit the Secretary to consider,
17 implement, and enforce provisions that
18 would hold a foreign affiliate of a United
19 States financial institution liable for the
20 disclosure of information related to reports
21 under this section;

22 “(iii) terminate on the date that is 3
23 years after the date of enactment of this
24 paragraph, except that the Secretary of the
25 Treasury may extend the pilot program for

1 not more than 2 years upon submitting to
2 the Committee on Banking, Housing, and
3 Urban Affairs of the Senate and the Com-
4 mittee on Financial Services of the House
5 of Representatives a report that includes—

6 “(I) a certification that the ex-
7 tension is in the national interest of
8 the United States, with a detailed ex-
9 planation of the reasons that the ex-
10 tension is in the national interest of
11 the United States;

12 “(II) after appropriate consulta-
13 tion by the Secretary with partici-
14 pants in the pilot program, an evalua-
15 tion of the usefulness of the pilot pro-
16 gram, including a detailed analysis of
17 any illicit activity identified or pre-
18 vented as a result of the program; and

19 “(III) a detailed legislative pro-
20 posal providing for a long-term exten-
21 sion of activities under the pilot pro-
22 gram, measures to ensure data secu-
23 rity, and confidentiality of personally
24 identifiable information, including ex-
25 pected budgetary resources for those

1 activities, if the Secretary of the
2 Treasury determines that a long-term
3 extension is appropriate.

4 “(C) PROHIBITION INVOLVING CERTAIN
5 JURISDICTIONS.—In issuing the rules required
6 under subparagraph (A), the Secretary of the
7 Treasury may not permit a financial institution
8 to share information on reports under this sub-
9 section with a foreign branch, subsidiary, or af-
10 filiate located in a jurisdiction that—

11 “(i) is a state sponsor of terrorism;

12 “(ii) is subject to sanctions imposed
13 by the Federal Government; or

14 “(iii) the Secretary has determined
15 cannot reasonably protect the security and
16 confidentiality of such information.

17 “(D) IMPLEMENTATION UPDATES.—Not
18 later than 360 days after the date on which
19 rules are issued under subparagraph (A), and
20 annually thereafter for 3 years, the Secretary of
21 the Treasury, or the designee of the Secretary,
22 shall brief the Committee on Banking, Housing,
23 and Urban Affairs of the Senate and the Com-
24 mittee on Financial Services of the House of
25 Representatives on—

1 “(i) the degree of any information
2 sharing permitted under the pilot program
3 and a description of criteria used by the
4 Secretary to evaluate the appropriateness
5 of the information sharing;

6 “(ii) the effectiveness of the pilot pro-
7 gram in identifying or preventing the viola-
8 tion of a United States law or regulation
9 and mechanisms that may improve that ef-
10 fectiveness; and

11 “(iii) any recommendations to amend
12 the design of the pilot program.

13 “(9) TREATMENT OF FOREIGN JURISDICTION-
14 ORIGINATED REPORTS.—Information related to a re-
15 port received by a financial institution from a for-
16 eign affiliate with respect to a suspicious transaction
17 relevant to a possible violation of law or regulation
18 shall be subject to the same confidentiality require-
19 ments provided under this subsection for a report of
20 a suspicious transaction described in paragraph (1).

21 “(10) NO OFFSHORING COMPLIANCE.—No fi-
22 nancial institution may establish or maintain any op-
23 eration located outside of the United States the pri-
24 mary purpose of which is to ensure compliance with

1 the Bank Secrecy Act as a result of the sharing
2 granted under this subsection.

3 “(11) DEFINITIONS.—In this subsection:

4 “(A) AFFILIATE.—The term ‘affiliate’
5 means an entity that controls, is controlled by,
6 or is under common control with another entity.

7 “(B) BANK SECRECY ACT; STATE BANK
8 SUPERVISOR; STATE CREDIT UNION SUPER-
9 VISOR.—The terms ‘Bank Secrecy Act’, ‘State
10 bank supervisor’, and ‘State credit union super-
11 visor’ have the meanings given the terms in sec-
12 tion 5003 of the Anti-Money Laundering Act of
13 2020.”.

14 (b) NOTIFICATION PROHIBITIONS.—Section
15 5318(g)(2)(A) of title 31, United States Code, is amend-
16 ed—

17 (1) in clause (i), by inserting “or otherwise re-
18 veal any information that would reveal that the
19 transaction has been reported,” after “transaction
20 has been reported”; and

21 (2) in clause (ii), by inserting “or otherwise re-
22 veal any information that would reveal that the
23 transaction has been reported,” after “transaction
24 has been reported,”.

1 **SEC. 5211. SHARING OF COMPLIANCE RESOURCES.**

2 (a) IN GENERAL.—Section 5318 of title 31, United
3 States Code, is amended by adding at the end the fol-
4 lowing:

5 “(o) SHARING OF COMPLIANCE RESOURCES.—

6 “(1) SHARING PERMITTED.—In order to more
7 efficiently comply with the requirements of this sub-
8 chapter, 2 or more financial institutions may enter
9 into collaborative arrangements, as described in the
10 statement entitled ‘Interagency Statement on Shar-
11 ing Bank Secrecy Act Resources’, published on Octo-
12 ber 3, 2018, by the Board of Governors of the Fed-
13 eral Reserve System, the Federal Deposit Insurance
14 Corporation, the Financial Crimes Enforcement Net-
15 work, the National Credit Union Administration,
16 and the Office of the Comptroller of the Currency.

17 “(2) OUTREACH.—The Secretary of the Treas-
18 ury and the appropriate supervising agencies shall
19 carry out an outreach program to provide financial
20 institutions with information, including best prac-
21 tices, with respect to the collaborative arrangements
22 described in paragraph (1).”.

23 (b) RULE OF CONSTRUCTION.—The amendment
24 made by subsection (a) may not be construed to require
25 financial institutions to share resources.

1 **SEC. 5212. ENCOURAGING INFORMATION SHARING AND**
2 **PUBLIC-PRIVATE PARTNERSHIPS.**

3 (a) IN GENERAL.—The Secretary shall convene a su-
4 pervisory team of relevant Federal agencies, private sector
5 experts in banking, national security, and law enforce-
6 ment, and other stakeholders to examine strategies to in-
7 crease cooperation between the public and private sectors
8 for purposes of countering proliferation finance and sanc-
9 tions evasion.

10 (b) MEETINGS.—The supervisory team convened
11 under subsection (a) shall meet periodically to advise on
12 strategies to combat the risk relating to proliferation fi-
13 nancing.

14 (c) FEDERAL ADVISORY COMMITTEE ACT.—The
15 Federal Advisory Committee Act (5 U.S.C. App.) shall not
16 apply to the supervisory team convened under subsection
17 (a) or to the activities of the supervisory team.

18 **SEC. 5213. FINANCIAL SERVICES DE-RISKING.**

19 (a) FINDINGS.—Congress finds the following:

20 (1) The practice known as de-risking, whereby
21 financial institutions avoid rather than manage the
22 compliance risk making effective anti-money laun-
23 dering, countering the financing of terrorism, and
24 sanctions compliance programs, has negatively im-
25 pacted the ability of nonprofit organizations to con-
26 duct lifesaving activities around the globe.

1 (2) It has been estimated that $\frac{2}{3}$ of nonprofit
2 organizations based in the United States with inter-
3 national activities face difficulties with financial ac-
4 cess, most commonly the inability to send funds
5 internationally through transparent, regulated finan-
6 cial channels.

7 (3) Without access to timely and predictable
8 banking services, nonprofit organizations cannot
9 carry out essential humanitarian activities that can
10 mean life or death to those in affected communities.

11 (4) De-risking can ultimately drive money into
12 less transparent channels through the carrying of
13 cash or use of unlicensed or unregistered money
14 service remitters, thus reducing transparency and
15 traceability, which are critical for financial integrity,
16 and can increase the risk of money falling into the
17 wrong hands.

18 (5) Federal agencies must continue to work to
19 address de-risking through the establishment of
20 guidance enabling financial institutions to bank with
21 nonprofit organizations and promoting focused and
22 proportionate measures consistent with a risk-based
23 approach.

24 (6) As the 2020 National Strategy for Com-
25 bating Terrorist and Other Illicit Financing of the

1 Department of the Treasury observes, “Treasury
2 and interagency partners will continue to engage
3 with charitable organizations and financial institu-
4 tions to evaluate and communicate the actual risk
5 that these organizations may be misused to support
6 terrorism and that financial institutions apply the
7 risk-based approach to the opening and maintenance
8 of charity accounts, as the vast majority of U.S.-
9 based tax exempt charitable organizations are not
10 high risk for terrorist financing.”.

11 (7) The Federal Government should work coop-
12 eratively with other donor states to promote a multi-
13 stakeholder approach to risk-sharing among govern-
14 ments, financial institutions, and nonprofit organiza-
15 tions.

16 (b) SENSE OF CONGRESS.—It is the sense of Con-
17 gress that—

18 (1) providing vital humanitarian and develop-
19 ment assistance and protecting the integrity of the
20 international financial system are complementary
21 goals; and

22 (2) Congress supports—

23 (A) effective measures to stop the flow of
24 illicit funds and promote the goals of anti-

1 money laundering and countering the financing
2 of terrorism and sanctions regimes;

3 (B) anti-money laundering and countering
4 the financing of terrorism and sanctions policies
5 that do not unduly hinder or delay the efforts
6 of legitimate humanitarian organizations in pro-
7 viding assistance to—

8 (i) meet the needs of civilians facing
9 a humanitarian crisis, including enabling
10 governments and humanitarian organiza-
11 tions to provide them with timely access to
12 food, health, and medical care, shelter, and
13 clean drinking water; and

14 (ii) prevent or alleviate human suf-
15 fering, in keeping with requirements of
16 international humanitarian law;

17 (C) policies that ensure that incidental, in-
18 advertent benefits that may indirectly benefit a
19 designated group in the course of delivering
20 life-saving aid to civilian populations are not
21 the primary focus of Federal Government en-
22 forcement efforts; and

23 (D) laws, regulations, policies, guidance,
24 and other measures that ensure the integrity of

1 the financial system through a risk-based ap-
2 proach.

3 (c) GAO DE-RISKING ANALYSIS.—Not later than 1
4 year after the date of enactment of this Act, the Comp-
5 troller General of the United States shall conduct a study
6 and submit to Congress a report—

7 (1) evaluating the effect of anti-money laun-
8 dering and countering the financing of terrorism re-
9 quirements on individuals and entities, including
10 charities, embassy accounts, money-service busi-
11 nesses, and correspondent banks, that—

12 (A) have been subject to categorical de-
13 risking by financial institutions operating in the
14 United States; or

15 (B) otherwise have difficulty accessing or
16 maintaining—

17 (i) relationships in the United States
18 financial system; or

19 (ii) certain financial services in the
20 United States, including opening and keep-
21 ing open an account;

22 (2) evaluating the consequences of financial in-
23 stitutions de-risking entire categories of relation-
24 ships with the individuals and entities described in
25 paragraph (1); and

1 (3) identifying options for financial institutions
2 handling transactions or accounts for high-risk cat-
3 egories of clients and for minimizing the negative ef-
4 fects of anti-money laundering and countering the fi-
5 nancing of terrorism requirements on the individuals
6 and entities described in paragraph (1) without com-
7 promising the effectiveness of Federal anti-money
8 laundering and countering the financing of terrorism
9 requirements.

10 (d) REVIEW OF DE-RISKING.—

11 (1) DEFINITION.—In this subsection, the term
12 “de-risking” means an action taken by a financial
13 institution to terminate or restrict a business rela-
14 tionship with a customer, or a category of cus-
15 tomers, rather than manage the risk associated with
16 that relationship consistent with risk-based super-
17 visory or regulatory requirements.

18 (2) REVIEW.—Upon completion of the analysis
19 required under subsection (c), the Secretary, in con-
20 sultation with the Federal functional regulators,
21 State bank supervisors, State credit union super-
22 visors, appropriate public and private sector stake-
23 holders, and other appropriate parties, shall—

24 (A) undertake a formal review of the fi-
25 nancial institution reporting requirements, as in

1 effect on the date of enactment of this Act, in-
2 cluding the processes used to submit reports
3 under the Bank Secrecy Act, regulations imple-
4 menting the Bank Secrecy Act, and related
5 guidance; and

6 (B) propose changes to those requirements
7 described in paragraph (1) to reduce any un-
8 necessarily burdensome regulatory requirements
9 and ensure that the information provided ful-
10 fills the purpose described in section 5311 of
11 title 31, United States Code, as amended by
12 this division.

13 (3) CONTENTS.—The review required under
14 paragraph (2) shall—

15 (A) rely substantially on information ob-
16 tained through the de-risking analyses con-
17 ducted by the Comptroller General of the
18 United States; and

19 (B) consider—

20 (i) any adverse consequence of finan-
21 cial institutions de-risking entire categories
22 of relationships, including charities, em-
23 bassy accounts, money services businesses,
24 as defined in section 1010.100 of title 31,
25 Code of Federal Regulations, agents of the

1 financial institutions, countries, inter-
2 national and domestic regions, and re-
3 spondent banks;

4 (ii) the reasons why financial institu-
5 tions are engaging in de-risking;

6 (iii) the association with and effects of
7 de-risking on money laundering and finan-
8 cial crime actors and activities;

9 (iv) the most appropriate ways to pro-
10 mote financial inclusion, particularly with
11 respect to developing countries, while
12 maintaining compliance with the Bank Se-
13 crecy Act, including an assessment of pol-
14 icy options to—

15 (I) more effectively tailor Federal
16 actions and penalties to the size of
17 foreign financial institutions and any
18 capacity limitations of foreign govern-
19 ments; and

20 (II) reduce compliance costs that
21 may lead to the adverse consequences
22 described in clause (i);

23 (v) formal and informal feedback pro-
24 vided by examiners that may have led to
25 de-risking;

1 (vi) the relationship between resources
2 dedicated to compliance and overall sophis-
3 tication of compliance efforts at entities
4 that may be experiencing de-risking versus
5 those that have not experienced de-risking;

6 (vii) any best practices from the pri-
7 vate sector that facilitate correspondent
8 bank relationships; and

9 (viii) any other matter that the Sec-
10 retary determines is appropriate.

11 (4) STRATEGY ON DE-RISKING.—Upon the com-
12 pletion of the review required under this subsection,
13 the Secretary of the Treasury, in consultation with
14 the Federal functional regulators, State bank super-
15 visors, State credit union supervisors, appropriate
16 public and private sector stakeholders, and other ap-
17 propriate parties, shall develop a strategy to reduce
18 de-risking and adverse consequences related to de-
19 risking.

20 (5) REPORT.—Not later than 1 year after the
21 completion of the review required under this sub-
22 section, the Secretary shall submit to Congress a re-
23 port containing—

24 (A) all findings and determinations made
25 in carrying out the review; and

1 (B) the strategy developed under para-
2 graph (4).

3 **SEC. 5214. REVIEW OF REGULATIONS AND GUIDANCE.**

4 (a) IN GENERAL.—The Secretary, in consultation
5 with the Federal functional regulators, the Federal Finan-
6 cial Institutions Examination Council, the Attorney Gen-
7 eral, Federal law enforcement agencies, the Director of
8 National Intelligence, the Secretary of Homeland Security,
9 and the Commissioner of Internal Revenue, shall—

10 (1) undertake a formal review of the regulations
11 implementing the Bank Secrecy Act and guidance
12 related to that Act—

13 (A) to ensure the Department of the
14 Treasury provides, on a continuing basis, for
15 appropriate safeguards to protect the financial
16 system from threats, including money laun-
17 dering and the financing of terrorism and pro-
18 liferation, to national security posed by various
19 forms of financial crime;

20 (B) to ensure that those provisions will
21 continue to require certain reports or records
22 that are highly useful in countering financial
23 crime; and

24 (C) to identify those regulations and guid-
25 ance that—

1 (i) may be outdated, redundant, or
2 otherwise do not promote a risk-based
3 anti-money laundering compliance and
4 countering the financing of terrorism re-
5 gime for financial institutions; or

6 (ii) do not conform with the commit-
7 ments of the United States to meet inter-
8 national standards to combat money laun-
9 dering, financing of terrorism, serious tax
10 fraud, or other financial crimes; and

11 (2) make appropriate changes to the regulations
12 and guidance described in paragraph (1) to improve,
13 as appropriate, the efficiency of those provisions.

14 (b) PUBLIC COMMENT.—The Secretary shall solicit
15 public comment as part of the review required under sub-
16 section (a).

17 (c) REPORT.—Not later than 1 year after the date
18 of enactment of this Act, the Secretary, in consultation
19 with the Federal Financial Institutions Examination
20 Council, the Federal functional regulators, the Attorney
21 General, Federal law enforcement agencies, the Director
22 of National Intelligence, the Secretary of Homeland Secu-
23 rity, and the Commissioner of Internal Revenue, shall sub-
24 mit to Congress a report that contains all findings and
25 determinations made in carrying out the review required

1 under subsection (a), including administrative or legisla-
2 tive recommendations.

3 **TITLE LIII—IMPROVING ANTI-**
4 **MONEY LAUNDERING AND**
5 **COUNTERING THE FINANC-**
6 **ING OF TERRORISM COMMU-**
7 **NICATION, OVERSIGHT, AND**
8 **PROCESSES**

9 **SEC. 5301. IMPROVED INTERAGENCY COORDINATION AND**
10 **CONSULTATION.**

11 Section 5318 of title 31, United States Code, as
12 amended by section 5211(a) of this division, is amended
13 by adding at the end the following:

14 “(p) INTERAGENCY COORDINATION AND CONSULTA-
15 TION.—

16 “(1) IN GENERAL.—The Secretary of the
17 Treasury shall, as appropriate, invite an appropriate
18 State bank supervisor and an appropriate State
19 credit union supervisor to participate in the inter-
20 agency consultation and coordination with the Fed-
21 eral depository institution regulators regarding the
22 development or modification of any rule or regula-
23 tion carrying out this subchapter.

24 “(2) RULES OF CONSTRUCTION.—Nothing in
25 this subsection may be construed to—

1 “(A) affect, modify, or limit the discretion
2 of the Secretary of the Treasury with respect to
3 the methods or forms of interagency consulta-
4 tion and coordination; or

5 “(B) require the Secretary of the Treasury
6 or a Federal depository institution regulator to
7 coordinate or consult with an appropriate State
8 bank supervisor or to invite such supervisor to
9 participate in interagency consultation and co-
10 ordination with respect to a matter, including a
11 rule or regulation, specifically affecting only
12 Federal depository institutions or Federal credit
13 unions.

14 “(3) DEFINITIONS.—In this subsection:

15 “(A) APPROPRIATE STATE BANK SUPER-
16 VISOR.—The term ‘appropriate State bank su-
17 pervisor’ means the Chairman or members of
18 the State Liaison Committee of the Federal Fi-
19 nancial Institutions Examination Council.

20 “(B) APPROPRIATE STATE CREDIT UNION
21 SUPERVISOR.—The term ‘appropriate State
22 credit union supervisor’ means the Chairman or
23 members of the State Liaison Committee of the
24 Federal Financial Institutions Examination
25 Council.

1 “(C) FEDERAL CREDIT UNION.—The term
2 ‘Federal credit union’ has the meaning given
3 the term in section 101 of the Federal Credit
4 Union Act (12 U.S.C. 1752).

5 “(D) FEDERAL DEPOSITORY INSTITU-
6 TION.—The term ‘Federal depository institu-
7 tion’ has the meaning given the term in section
8 3 of the Federal Deposit Insurance Act (12
9 U.S.C. 1813).

10 “(E) FEDERAL DEPOSITORY INSTITUTION
11 REGULATORS.—The term ‘Federal depository
12 institution regulator’ means the members of the
13 Federal Financial Institutions Examination
14 Council to which is delegated any authority of
15 the Secretary under subsection (a)(1).”.

16 **SEC. 5302. SUBCOMMITTEE ON INFORMATION SECURITY**
17 **AND CONFIDENTIALITY.**

18 Section 1564 of the Annunzio-Wylie Anti-Money
19 Laundering Act (31 U.S.C. 5311 note), as amended by
20 section 5207 of this division, is amended by adding at the
21 end the following:

22 “(e) SUBCOMMITTEE ON INFORMATION SECURITY
23 AND CONFIDENTIALITY.—

24 “(1) IN GENERAL.—There shall be within the
25 Bank Secrecy Act Advisory Group a subcommittee

1 to be known as the Subcommittee on Information
2 Security and Confidentiality (in this subsection re-
3 ferred to as the ‘Subcommittee’) to advise the Sec-
4 retary of the Treasury regarding the information se-
5 curity and confidentiality implications of regulations,
6 guidance, information sharing programs, and the ex-
7 amination for compliance with and enforcement of
8 the provisions of the Bank Secrecy Act.

9 “(2) MEMBERSHIP.—

10 “(A) IN GENERAL.—The Subcommittee
11 shall consist of the representatives of the heads
12 of the Federal functional regulators and rep-
13 resentatives from financial institutions subject
14 to the Bank Secrecy Act, law enforcement,
15 FinCEN, and any other representatives as de-
16 termined by the Secretary of the Treasury.

17 “(B) REQUIREMENTS.—Each agency rep-
18 resentative described in subparagraph (A) shall
19 be an individual who has demonstrated knowl-
20 edge and competence concerning the application
21 of the Bank Secrecy Act and familiarity with
22 and expertise in applicable laws.

23 “(3) SUNSET.—

24 “(A) IN GENERAL.—Except as provided in
25 subparagraph (B), the Subcommittee shall ter-

1 minate on the date that is 5 years after the
2 date of enactment of this subsection.

3 “(B) EXCEPTION.—The Secretary of the
4 Treasury may renew the Subcommittee for 1-
5 year periods beginning on the date that is 5
6 years after the date of enactment of this sub-
7 section.

8 “(f) DEFINITIONS.—In this section:

9 “(1) BANK SECRECY ACT.—the term ‘Bank Se-
10 crecy Act’ has the meaning given the term in section
11 5003 of the Anti-Money Laundering Act of 2020.

12 “(2) FEDERAL FUNCTIONAL REGULATOR.—The
13 term ‘Federal functional regulator’ has the meaning
14 given the term in section 509 of the Gramm-Leach-
15 Bliley Act (15 U.S.C. 6809).

16 “(3) FINCEN.—The term ‘FinCEN’ means the
17 Financial Crimes Enforcement Network of the De-
18 partment of the Treasury.

19 “(4) FINANCIAL INSTITUTION.—The term ‘fi-
20 nancial institution’ has the meaning given the term
21 in section 5312 of title 31, United States Code.

22 “(5) STATE CREDIT UNION SUPERVISOR.—The
23 term ‘State credit union supervisor’ means a State
24 official described in section 107A(e) of the Federal
25 Credit Union Act (12 U.S.C. 1757a(e)).”.

1 **SEC. 5303. FINCEN ANALYTICAL HUB.**

2 Section 310 of title 31, United States Code, as
3 amended by sections 5103, 5105, 5107, 5108, and 5109
4 of this division, is amended by inserting after subsection
5 (i) the following:

6 “(j) ANALYTICAL EXPERTS.—

7 “(1) IN GENERAL.—FinCEN shall maintain fi-
8 nancial experts capable of identifying, tracking, and
9 tracing money laundering and terrorist-financing
10 networks in order to conduct and support civil and
11 criminal anti-money laundering and countering the
12 financing of terrorism investigations conducted by
13 the United States Government.

14 “(2) FINCEN ANALYTICAL HUB.—FinCEN,
15 upon a reasonable request from a Federal agency,
16 shall, in collaboration with the requesting agency
17 and the appropriate Federal functional regulator,
18 analyze the potential anti-money laundering and
19 countering the financing of terrorism activity that
20 prompted the request.

21 “(k) DEFINITIONS.—In this section:

22 “(1) BANK SECRECY ACT.—The term ‘Bank Se-
23 crecy Act’ has the meaning given the term in section
24 5003 of the Anti-Money Laundering Act of 2020.

25 “(2) FEDERAL FUNCTIONAL REGULATOR.—The
26 term ‘Federal functional regulator’ has the meaning

1 given the term in section 509 of the Gramm-Leach-
2 Bliley Act (15 U.S.C. 6809).

3 “(3) FINANCIAL INSTITUTION.—The term ‘fi-
4 nancial institution’ has the meaning given the term
5 in section 5312.

6 “(4) STATE BANK SUPERVISOR.—The term
7 ‘State bank supervisor’ has the meaning given the
8 term in section 3 of the Federal Deposit Insurance
9 Act (12 U.S.C. 1813).

10 “(5) STATE CREDIT UNION SUPERVISOR.—The
11 term ‘State credit union supervisor’ means a State
12 official described in section 107A(e) of the Federal
13 Credit Union Act (12 U.S.C. 1757a(e)).”.

14 **SEC. 5304. ASSESSMENT OF BANK SECRECY ACT NO-ACTION**
15 **LETTERS.**

16 (a) ASSESSMENT.—

17 (1) IN GENERAL.—The Director, in consulta-
18 tion with the Attorney General, the Federal func-
19 tional regulators, State bank supervisors, State cred-
20 it union supervisors, and other Federal agencies, as
21 appropriate, shall conduct an assessment on whether
22 to establish a process for the issuance of no-action
23 letters by FinCEN in response to inquiries from per-
24 sons concerning the application of the Bank Secrecy
25 Act, the USA PATRIOT Act (Public Law 107–56;

1 115 Stat. 272), section 8(s) of the Federal Deposit
2 Insurance Act (12 U.S.C. 1818(s)), or any other
3 anti-money laundering or countering the financing of
4 terrorism law (including regulations) to specific con-
5 duct, including a request for a statement as to
6 whether FinCEN or any relevant Federal functional
7 regulator intends to take an enforcement action
8 against the person with respect to such conduct.

9 (2) ANALYSIS.—The assessment required under
10 paragraph (1) shall include an analysis of—

11 (A) a timeline for the process used to
12 reach a final determination by FinCEN, in con-
13 sultation with the relevant Federal functional
14 regulators, in response to a request by a person
15 for a no-action letter;

16 (B) whether improvements in current proc-
17 esses are necessary;

18 (C) whether a formal no-action letter proc-
19 ess would help to mitigate or accentuate illicit
20 finance risks in the United States; and

21 (D) any other matter the Secretary deter-
22 mines is appropriate.

23 (b) REPORT AND RULEMAKINGS.—Not later than
24 180 days after the date of enactment of this Act, the Sec-
25 retary, in coordination with the Director of the Federal

1 Bureau of Investigation, the Attorney General, the Sec-
2 retary of Homeland Security, and the Federal functional
3 regulators, shall—

4 (1) submit to the Committee on Banking,
5 Housing, and Urban Affairs of the Senate and the
6 Committee on Financial Services of the House of
7 Representatives a report that contains all findings
8 and determinations made in carrying out the study
9 required under subsection (a); and

10 (2) propose rulemakings, if appropriate, to im-
11 plement the findings and determinations described in
12 paragraph (1).

13 **SEC. 5305. COOPERATION WITH LAW ENFORCEMENT.**

14 (a) IN GENERAL.—

15 (1) AMENDMENT TO TITLE 31.—Subchapter II
16 of chapter 53 of title 31, United States Code, is
17 amended by adding at the end the following:

18 **“§ 5333. Safe harbor with respect to keep open direc-**
19 **tives**

20 “(a) IN GENERAL.—With respect to a customer ac-
21 count or customer transaction of a financial institution,
22 if a Federal law enforcement agency with the acknowledg-
23 ment of FinCEN, or a State, Tribal, or local law enforce-
24 ment agency with the acknowledgment and concurrence of
25 FinCEN, submits to the financial institution a written re-

1 quest that the financial institution keep that account or
2 transaction open (referred to in this section as a ‘keep
3 open request’)—

4 “(1) the financial institution shall not be liable
5 under this subchapter for maintaining that account
6 or transaction consistent with the parameters and
7 timing of the request; and

8 “(2) no Federal or State department or agency
9 may take any adverse supervisory action under this
10 subchapter with respect to the financial institution
11 solely for maintaining that account or transaction
12 consistent with the parameters of the request.

13 “(b) RULE OF CONSTRUCTION.—Nothing in this sec-
14 tion may be construed—

15 “(1) to prevent a Federal or State department
16 or agency from verifying the validity of a keep open
17 request submitted under subsection (a) with the law
18 enforcement agency submitting that request;

19 “(2) to relieve a financial institution from com-
20 plying with any reporting requirements or any other
21 provisions of this subchapter, including the reporting
22 of suspicious transactions under section 5318(g); or

23 “(3) to extend the safe harbor described in sub-
24 section (a) to any actions taken by the financial in-
25 stitution—

1 “(A) before the date of the keep open re-
2 quest to maintain a customer account; or

3 “(B) after the termination date stated in
4 the keep open request.

5 “(c) LETTER TERMINATION DATE.—For the pur-
6 poses of this section, any keep open request submitted
7 under subsection (a) shall include a termination date after
8 which that request shall no longer apply.

9 “(d) RECORD KEEPING.—Any Federal, State, Tribal,
10 or local law enforcement agency that submits to a financial
11 institution a keep open request shall, not later than 2 busi-
12 ness days after the date on which the request is submitted
13 to the financial institution—

14 “(1) submit to FinCEN a copy of the request;
15 and

16 “(2) alert FinCEN as to whether the financial
17 institution has implemented the request.

18 “(e) GUIDANCE.—The Secretary of the Treasury, in
19 consultation with the Attorney General and Federal,
20 State, Tribal, and local law enforcement agencies, shall
21 issue guidance on the required elements of a keep open
22 request.”.

23 (2) AMENDMENT TO PUBLIC LAW 91–508.—
24 Chapter 2 of title I of Public Law 91–508 (12

1 U.S.C. 1951 et seq.) is amended by adding at the
2 end the following:

3 **“§ 130. Safe harbor with respect to keep open direc-**
4 **tives**

5 “(a) DEFINITION.—In this section, the term ‘finan-
6 cial institution’ means an entity to which section 123(b)
7 applies.

8 “(b) SAFE HARBOR.—With respect to a customer ac-
9 count or customer transaction of a financial institution,
10 if a Federal law enforcement agency with the acknowledg-
11 ment of FinCEN, or a State, Tribal, or local law enforce-
12 ment agency with the acknowledgment and concurrence of
13 FinCEN, submits to the financial institution a written re-
14 quest that the financial institution keep that account or
15 transaction open (referred to in this section as a ‘keep
16 open request’)—

17 “(1) the financial institution shall not be liable
18 under this chapter for maintaining that account or
19 transaction consistent with the parameters and tim-
20 ing of the request; and

21 “(2) no Federal or State department or agency
22 may take any adverse supervisory action under this
23 chapter with respect to the financial institution sole-
24 ly for maintaining that account or transaction con-
25 sistent with the parameters of the request.

1 “(c) RULE OF CONSTRUCTION.—Nothing in this sec-
2 tion may be construed—

3 “(1) to prevent a Federal or State department
4 or agency from verifying the validity of a keep open
5 request submitted under subsection (b) with the law
6 enforcement agency submitting that request;

7 “(2) to relieve a financial institution from com-
8 plying with any reporting requirements, including
9 the reporting of suspicious transactions under sec-
10 tion 5318(g) of title 31, United States Code; or

11 “(3) to extend the safe harbor described in sub-
12 section (b) to any actions taken by the financial in-
13 stitution—

14 “(A) before the date of the keep open re-
15 quest to maintain a customer account; or

16 “(B) after the termination date stated in
17 the keep open request.

18 “(d) LETTER TERMINATION DATE.—For the pur-
19 poses of this section, any keep open request submitted
20 under subsection (b) shall include a termination date after
21 which that request shall no longer apply.

22 “(e) RECORD KEEPING.—Any Federal, State, Tribal,
23 or local law enforcement agency that submits to a financial
24 institution a keep open request shall, not later than 2 busi-

1 ness days after the date on which the request is submitted
2 to the financial institution—

3 “(1) submit to FinCEN a copy of the request;
4 and

5 “(2) alert FinCEN as to whether the financial
6 institution has implemented the request.”.

7 (b) CLERICAL AMENDMENTS.—

8 (1) TITLE 31.—The table of sections for chap-
9 ter 53 of title 31, United States Code, is amended
10 by inserting after the item relating to section 5332
11 the following:

“5333. Safe harbor with respect to keep open directives.”.

12 (2) PUBLIC LAW 91–508.—The table of sections
13 for chapter 2 of title I of Public Law 91–508 (12
14 U.S.C. 1951 et seq.) is amended by adding at the
15 end the following:

“130. Safe harbor with respect to keep open directives.”.

16 **SEC. 5306. TRAINING FOR EXAMINERS ON ANTI-MONEY**
17 **LAUNDERING AND COUNTERING THE FI-**
18 **NANCING OF TERRORISM.**

19 (a) IN GENERAL.—Subchapter II of chapter 53 of
20 title 31, United States Code, as amended by section
21 5305(a)(1)(A) of this division, is amended by adding at
22 the end the following:

1 **“§ 5334. Training regarding anti-money laundering**
2 **and countering the financing of terrorism**

3 “(a) TRAINING REQUIREMENT.—Each Federal ex-
4 aminer reviewing compliance with the Bank Secrecy Act,
5 as defined in section 5003 of the Anti-Money Laundering
6 Act of 2020, shall attend appropriate annual training, as
7 determined by the Secretary of the Treasury, relating to
8 anti-money laundering activities and countering the fi-
9 nancing of terrorism, including with respect to—

10 “(1) potential risk profiles and warning signs
11 that an examiner may encounter during examina-
12 tions;

13 “(2) financial crime patterns and trends;

14 “(3) the high-level context for why anti-money
15 laundering and countering the financing of terrorism
16 programs are necessary for law enforcement agen-
17 cies and other national security agencies and what
18 risks those programs seek to mitigate; and

19 “(4) de-risking and the effect of de-risking on
20 the provision of financial services.

21 “(b) TRAINING MATERIALS AND STANDARDS.—The
22 Secretary of the Treasury shall, in consultation with the
23 Federal Financial Institutions Examination Council, the
24 Financial Crimes Enforcement Network, and Federal,
25 State, Tribal, and local law enforcement agencies, estab-

1 lish appropriate training materials and standards for use
2 in the training required under subsection (a).”.

3 (b) CLERICAL AMENDMENT.—The table of sections
4 for chapter 53 of title 31, United States Code, as amended
5 by section 5305(b)(1) of this division, is amended by add-
6 ing at the end the following:

“5334. Training regarding anti-money laundering and countering the financing
of terrorism.”.

7 **SEC. 5307. OBTAINING FOREIGN BANK RECORDS FROM**
8 **BANKS WITH UNITED STATES COR-**
9 **RESPONDENT ACCOUNTS.**

10 (a) GRAND JURY AND TRIAL SUBPOENAS.—Section
11 5318(k) of title 31, United States Code, is amended—

12 (1) in paragraph (1)—

13 (A) by redesignating subparagraph (B) as
14 subparagraph (C); and

15 (B) by inserting after subparagraph (A)
16 the following:

17 “(B) COVERED FINANCIAL INSTITUTION.—

18 The term ‘covered financial institution’ means
19 an institution referred to in subsection (j)(1).”;

20 and

21 (2) by striking paragraph (3) and inserting the
22 following:

23 “(3) FOREIGN BANK RECORDS.—

24 “(A) SUBPOENA OF RECORDS.—

1 “(i) IN GENERAL.—Notwithstanding
2 subsection (b), the Secretary of the Treas-
3 ury or the Attorney General may issue a
4 subpoena to any foreign bank that main-
5 tains a correspondent account in the
6 United States and request any records re-
7 lating to the correspondent account or any
8 account at the foreign bank, including
9 records maintained outside of the United
10 States, that are the subject of—

11 “(I) any investigation of a viola-
12 tion of a criminal law of the United
13 States;

14 “(II) any investigation of a viola-
15 tion of this subchapter;

16 “(III) a civil forfeiture action; or

17 “(IV) an administrative pro-
18 ceeding under section 5318A.

19 “(ii) PRODUCTION OF RECORDS.—The
20 foreign bank on which a subpoena de-
21 scribed in clause (i) is served shall produce
22 all requested records and authenticate all
23 requested records with testimony in the
24 manner described in—

1 “(I) rule 902(12) of the Federal
2 Rules of Evidence; or

3 “(II) section 3505 of title 18.

4 “(iii) ISSUANCE AND SERVICE OF SUB-
5 POENA.—A subpoena described in clause
6 (i)—

7 “(I) shall designate—

8 “(aa) a return date; and

9 “(bb) the judicial district in
10 which the related investigation is
11 proceeding; and

12 “(II) may be served—

13 “(aa) in person;

14 “(bb) by mail or fax in the
15 United States if the foreign bank
16 has a representative in the
17 United States; or

18 “(cc) if applicable, in a for-
19 eign country under any mutual
20 legal assistance treaty, multilat-
21 eral agreement, or other request
22 for international legal or law en-
23 forcement assistance.

24 “(iv) RELIEF FROM SUBPOENA.—

1 “(I) IN GENERAL.—At any time
2 before the return date of a subpoena
3 described in clause (i), the foreign
4 bank on which the subpoena is served
5 may petition the district court of the
6 United States for the judicial district
7 in which the related investigation is
8 proceeding, as designated in the sub-
9 poena, to modify or quash—

10 “(aa) the subpoena; or

11 “(bb) the prohibition against
12 disclosure described in subpara-
13 graph (C).

14 “(II) CONFLICT WITH FOREIGN
15 SECRECY OR CONFIDENTIALITY.—An
16 assertion that compliance with a sub-
17 poena described in clause (i) would
18 conflict with a provision of foreign se-
19 crecy or confidentiality law shall not
20 be a basis for quashing or modifying
21 the subpoena.

22 “(B) ACCEPTANCE OF SERVICE.—

23 “(i) MAINTAINING RECORDS IN THE
24 UNITED STATES.—Any covered financial
25 institution that maintains a correspondent

1 account in the United States for a foreign
2 bank shall maintain records in the United
3 States identifying—

4 “(I) the owners of record and the
5 beneficial owners of the foreign bank;
6 and

7 “(II) the name and address of a
8 person who—

9 “(aa) resides in the United
10 States; and

11 “(bb) is authorized to accept
12 service of legal process for
13 records covered under this sub-
14 section.

15 “(ii) LAW ENFORCEMENT REQUEST.—
16 Upon receipt of a written request from a
17 Federal law enforcement officer for infor-
18 mation required to be maintained under
19 this paragraph, a covered financial institu-
20 tion shall provide the information to the
21 requesting officer not later than 7 days
22 after receipt of the request.

23 “(C) NONDISCLOSURE OF SUBPOENA.—

24 “(i) IN GENERAL.—No officer, direc-
25 tor, partner, employee, or shareholder of,

1 or agent or attorney for, a foreign bank on
2 which a subpoena is served under this
3 paragraph shall, directly or indirectly, no-
4 tify any account holder involved or any
5 person named in the subpoena issued
6 under subparagraph (A)(i) and served on
7 the foreign bank about the existence or
8 contents of the subpoena.

9 “(ii) DAMAGES.—Upon application by
10 the Attorney General for a violation of this
11 subparagraph, a foreign bank on which a
12 subpoena is served under this paragraph
13 shall be liable to the United States Govern-
14 ment for a civil penalty in an amount
15 equal to—

16 “(I) double the amount of the
17 suspected criminal proceeds sent
18 through the correspondent account of
19 the foreign bank in the related inves-
20 tigation; or

21 “(II) if no such proceeds can be
22 identified, not more than \$250,000.

23 “(D) ENFORCEMENT.—

24 “(i) IN GENERAL.—If a foreign bank
25 fails to obey a subpoena issued under sub-

1 paragraph (A)(i), the Attorney General
2 may invoke the aid of the district court of
3 the United States for the judicial district
4 in which the investigation or related pro-
5 ceeding is occurring to compel compliance
6 with the subpoena.

7 “(ii) COURT ORDERS AND CONTEMPT
8 OF COURT.—A court described in clause (i)
9 may—

10 “(I) issue an order requiring the
11 foreign bank to appear before the Sec-
12 retary of the Treasury or the Attorney
13 General to produce—

14 “(aa) certified records, in
15 accordance with—

16 “(AA) rule 902(12) of
17 the Federal Rules of Evi-
18 dence; or

19 “(BB) section 3505 of
20 title 18; or

21 “(bb) testimony regarding
22 the production of the certified
23 records; and

1 “(II) punish any failure to obey
2 an order issued under subclause (I) as
3 contempt of court.

4 “(iii) SERVICE OF PROCESS.—All
5 process in a case under this subparagraph
6 shall be served on the foreign bank in the
7 same manner as described in subparagraph
8 (A)(iii).

9 “(E) TERMINATION OF CORRESPONDENT
10 RELATIONSHIP.—

11 “(i) TERMINATION UPON RECEIPT OF
12 NOTICE.—A covered financial institution
13 shall terminate any correspondent relation-
14 ship with a foreign bank not later than 10
15 business days after the date on which the
16 covered financial institution receives writ-
17 ten notice from the Secretary of the Treas-
18 ury or the Attorney General if, after con-
19 sultation with the other, the Secretary of
20 the Treasury or the Attorney General, as
21 applicable, determines that the foreign
22 bank has failed—

23 “(I) to comply with a subpoena
24 issued under subparagraph (A)(i); or

1 “(II) to prevail in proceedings be-
2 fore—

3 “(aa) the appropriate dis-
4 trict court of the United States
5 after challenging a subpoena de-
6 scribed in subelause (I) under
7 subparagraph (A)(iv)(I); or

8 “(bb) a court of appeals of
9 the United States after appealing
10 a decision of a district court of
11 the United States under item
12 (aa).

13 “(ii) LIMITATION ON LIABILITY.—A
14 covered financial institution shall not be
15 liable to any person in any court or arbi-
16 tration proceeding for—

17 “(I) terminating a correspondent
18 relationship under this subparagraph;
19 or

20 “(II) complying with a nondislo-
21 sure order under subparagraph (C).

22 “(iii) FAILURE TO TERMINATE RELA-
23 TIONSHIP.—A covered financial institution
24 that fails to terminate a correspondent re-
25 lationship under clause (i) shall be liable

1 for a civil penalty in an amount that is not
2 more than \$25,000 for each day that the
3 covered financial institution fails to termi-
4 nate the relationship.

5 “(F) ENFORCEMENT OF CIVIL PEN-
6 ALTIES.—Upon application by the United
7 States, any funds held in the correspondent ac-
8 count of a foreign bank that is maintained in
9 the United States with a covered financial insti-
10 tution may be seized by the United States to
11 satisfy any civil penalties that are imposed—

12 “(i) under subparagraph (C)(ii); or

13 “(ii) by a court for contempt under
14 subparagraph (D).”.

15 (b) FAIR CREDIT REPORTING ACT AMENDMENT.—
16 Section 604(a)(1) of the Fair Credit Reporting Act (15
17 U.S.C. 1681b(a)(1)) is amended—

18 (1) by striking “, or a” and inserting “, a”; and

19 (2) by inserting “, or a subpoena issued in ac-
20 cordance with section 5318 of title 31, United States
21 Code, or section 3486 of title 18, United States
22 Code” after “grand jury”.

23 (c) OBSTRUCTION OF JUSTICE.—Section
24 1510(b)(3)(B) of title 18, United States Code, is amend-
25 ed—

1 (1) in the matter preceding clause (i), by strik-
2 ing “or a Department of Justice subpoena (issued
3 under section 3486 of title 18)” and inserting “, a
4 subpoena issued under section 3486 of this title, or
5 an order or subpoena issued in accordance with sec-
6 tion 3512 of this title, section 5318 of title 31, or
7 section 1782 of title 28”; and

8 (2) in clause (i), by inserting “, 1960, an of-
9 fense against a foreign nation constituting specified
10 unlawful activity under section 1956, a foreign of-
11 fense for which enforcement of a foreign forfeiture
12 judgment could be brought under section 2467 of
13 title 28” after “1957”.

14 (d) RIGHT TO FINANCIAL PRIVACY ACT.—Section
15 1120(b)(1)(A) of the Right to Financial Privacy Act of
16 1978 (12 U.S.C. 3420(b)(1)(A)) is amended—

17 (1) by striking “or 1957 of title 18” and insert-
18 ing “, 1957, or 1960 of title 18, United States
19 Code”; and

20 (2) by striking “and 5324 of title 31” and in-
21 serting “, 5322, 5324, 5331, and 5332 of title 31,
22 United States Code”.

1 **SEC. 5308. ADDITIONAL DAMAGES FOR REPEAT BANK SE-**
2 **CRECY ACT VIOLATORS.**

3 Section 5321 of title 31, United States Code, is
4 amended by adding at the end the following:

5 “(f) **ADDITIONAL DAMAGES FOR REPEAT VIOLA-**
6 **TORS.**—In addition to any other fines permitted under this
7 section and section 5322, with respect to a person who
8 has previously violated a provision of (or rule issued
9 under) this subchapter, section 21 of the Federal Deposit
10 Insurance Act (12 U.S.C. 1829b), or section 123 of Public
11 Law 91–508 (12 U.S.C. 1953), the Secretary of the
12 Treasury, if practicable, may impose an additional civil
13 penalty against such person for each additional such viola-
14 tion in an amount that is not more than the greater of—

15 “(1) if practicable to calculate, 3 times the
16 profit gained or loss avoided by such person as a re-
17 sult of the violation; or

18 “(2) 2 times the maximum penalty with respect
19 to the violation.”.

20 **SEC. 5309. CERTAIN VIOLATORS BARRED FROM SERVING**
21 **ON BOARDS OF UNITED STATES FINANCIAL**
22 **INSTITUTIONS.**

23 (a) **IN GENERAL.**—Section 5321 of title 31, United
24 States Code, as amended by section 5308 of this division,
25 is amended by adding at the end the following:

1 “(g) CERTAIN VIOLATORS BARRED FROM SERVING
2 ON BOARDS OF UNITED STATES FINANCIAL INSTITU-
3 TIONS.—

4 “(1) DEFINITION.—In this subsection, the term
5 ‘egregious violation’ means, with respect to an indi-
6 vidual—

7 “(A) a criminal violation—

8 “(i) for which the individual is con-
9 victed; and

10 “(ii) for which the maximum term of
11 imprisonment is more than 1 year; and

12 “(B) a civil violation in which—

13 “(i) the individual willfully committed
14 the violation; and

15 “(ii) the violation facilitated money
16 laundering or the financing of terrorism.

17 “(2) BAR.—An individual found to have com-
18 mitted an egregious violation of the Bank Secrecy
19 Act, as defined in section 5003 of the Anti-Money
20 Laundering Act of 2020, or any rules issued under
21 the Bank Secrecy Act, shall be barred from serving
22 on the board of directors of a United States finan-
23 cial institution during the 10-year period that begins
24 on the date on which the conviction or judgment, as

1 applicable, with respect to the egregious violation is
2 entered.”.

3 (b) **RULE OF CONSTRUCTION.**—Nothing in the
4 amendment made by subsection (a) shall be construed to
5 limit the application of section 19 of the Federal Deposit
6 Insurance Act (12 U.S.C. 1829).

7 **SEC. 5310. DEPARTMENT OF JUSTICE REPORT ON DE-**
8 **FERRED AND NON-PROSECUTION AGREE-**
9 **MENTS.**

10 (a) **ANNUAL REPORT.**—Not later than 1 year after
11 the date of enactment of this Act, and for each of the
12 4 years thereafter, the Attorney General shall submit to
13 the appropriate committees of Congress a report that con-
14 tains—

15 (1) a list of deferred prosecution agreements
16 and non-prosecution agreements that the Attorney
17 General has entered into during the year covered by
18 the report with any person with respect to a viola-
19 tion or suspected violation of the Bank Secrecy Act
20 (referred to in this subsection as “covered agree-
21 ments”);

22 (2) the justification for entering into each cov-
23 ered agreement;

1 (3) the list of factors that were taken into ac-
2 count in determining that the Attorney General
3 should enter into each covered agreement; and

4 (4) the extent of coordination the Attorney
5 General conducted with the Secretary of the Treas-
6 ury, Federal functional regulators, or State regu-
7 lators before entering into each covered agreement.

8 (b) CLASSIFIED ANNEX.—Each report submitted
9 under subsection (a) may include a classified annex.

10 (c) DEFINITION.—In this section, the term “appro-
11 priate committees of Congress” means—

12 (1) the Committee on Banking, Housing, and
13 Urban Affairs of the Senate;

14 (2) the Committee on the Judiciary of the Sen-
15 ate;

16 (3) the Committee on Financial Services of the
17 House of Representatives; and

18 (4) the Committee on the Judiciary of the
19 House of Representatives.

20 **SEC. 5311. RETURN OF PROFITS AND BONUSES.**

21 (a) IN GENERAL.—Section 5322 of title 31, United
22 States Code, is amended by adding at the end the fol-
23 lowing:

24 “(e) A person convicted of violating a provision of (or
25 rule issued under) the Bank Secrecy Act, as defined in

1 section 5003 of the Anti-Money Laundering Act of 2020,
2 shall—

3 “(1) in addition to any other fine under this
4 section, be fined in an amount that is equal to the
5 profit gained by such person by reason of such viola-
6 tion, as determined by the court; and

7 “(2) if the person is an individual who was a
8 partner, director, officer, or employee of a financial
9 institution at the time the violation occurred, repay
10 to such financial institution any bonus paid to the
11 individual during the calendar year in which the vio-
12 lation occurred or the calendar year after which the
13 violation occurred.”.

14 (b) **RULE OF CONSTRUCTION.**—The amendment
15 made by subsection (a) may not be construed to prohibit
16 a financial institution from requiring the repayment of a
17 bonus paid to a partner, director, officer, or employee if
18 the financial institution determines that the partner, di-
19 rector, officer, or employee engaged in unethical, but non-
20 criminal, activities.

21 **SEC. 5312. PROHIBITION ON CONCEALMENT OF THE**
22 **SOURCE OF ASSETS IN MONETARY TRANS-**
23 **ACTIONS.**

24 (a) **IN GENERAL.**—Subchapter II of chapter 53 of
25 title 31, United States Code, as amended by sections

1 5305(a)(1) and 5306(a) of this division, is amended by
2 adding at the end the following:

3 **“§ 5335. Prohibition on concealment of the source of**
4 **assets in monetary transactions**

5 “(a) DEFINITION OF MONETARY TRANSACTION.—In
6 this section, the term the term ‘monetary transaction’—

7 “(1) means the deposit, withdrawal, transfer, or
8 exchange, in or affecting interstate or foreign com-
9 merce, of funds or a monetary instrument (as de-
10 fined in section 1956(c)(5) of title 18) by, through,
11 or to a financial institution (as defined in section
12 1956(c)(6) of title 18);

13 “(2) includes any transaction that would be a
14 financial transaction under section 1956(c)(4)(B) of
15 title 18; and

16 “(3) does not include any transaction necessary
17 to preserve the right to representation of a person
18 as guaranteed by the Sixth Amendment to the Con-
19 stitution of the United States.

20 “(b) PROHIBITION.—No person shall knowingly con-
21 ceal, falsify, or misrepresent, or attempt to conceal, falsify,
22 or misrepresent, from or to a financial institution, a mate-
23 rial fact concerning the ownership or control of assets in-
24 volved in a monetary transaction if—

1 “(1) the person or entity who owns or controls
2 the assets is a senior foreign political figure, or any
3 immediate family member or close associate of a
4 senior foreign political figure, as set forth in this
5 title or the regulations promulgated under this title;
6 and

7 “(2) the aggregate value of the assets involved
8 in 1 or more monetary transactions is not less than
9 \$1,000,000.

10 “(c) SOURCE OF FUNDS.—No person shall knowingly
11 conceal, falsify, or misrepresent, or attempt to conceal, fal-
12 sify, or misrepresent, from or to a financial institution,
13 a material fact concerning the source of funds in a mone-
14 tary transaction that—

15 “(1) involves an entity found to be a primary
16 money laundering concern under section 5318A or
17 the regulations promulgated under this title; and

18 “(2) violates the prohibitions or conditions pre-
19 scribed under section 5318A(b)(5) or the regulations
20 promulgated under this title.

21 “(d) PENALTIES.—A person convicted of an offense
22 under subsection (b) or (c), or a conspiracy to commit an
23 offense under subsection (b) or (c), shall be imprisoned
24 for not more than 10 years, fined not more than
25 \$1,000,000, or both.

1 “(e) FORFEITURE.—

2 “(1) CRIMINAL FORFEITURE.—

3 “(A) IN GENERAL.—The court, in impos-
4 ing a sentence under subsection (d), shall order
5 that the defendant forfeit to the United States
6 any property involved in the offense and any
7 property traceable thereto.

8 “(B) PROCEDURE.—The seizure, restraint,
9 and forfeiture of property under this paragraph
10 shall be governed by section 413 of the Con-
11 trolled Substances Act (21 U.S.C. 853).

12 “(2) CIVIL FORFEITURE.—

13 “(A) IN GENERAL.—Any property involved
14 in a violation of subsection (b) or (c), or a con-
15 spiracy to commit a violation of subsection (b)
16 or (c), and any property traceable thereto may
17 be seized and forfeited to the United States.

18 “(B) PROCEDURE.—Seizures and forfeit-
19 ures under this paragraph shall be governed by
20 the provisions of chapter 46 of title 18 relating
21 to civil forfeitures, except that such duties,
22 under the customs laws described in section
23 981(d) of title 18, given to the Secretary of the
24 Treasury shall be performed by such officers,
25 agents, and other persons as may be designated

1 for that purpose by the Secretary of Homeland
2 Security or the Attorney General.”.

3 (b) TECHNICAL AND CONFORMING AMENDMENT.—

4 The table of sections for chapter 53 of title 31, United
5 States Code, as amended by sections 5305(b)(1) and
6 5306(b) of this division, is amended by adding at the end
7 the following:

“5335. Prohibition on concealment of the source of assets in monetary trans-
actions.”.

8 **SEC. 5313. UPDATING WHISTLEBLOWER INCENTIVES AND**
9 **PROTECTION.**

10 (a) WHISTLEBLOWER INCENTIVES AND PROTEC-
11 TION.—

12 (1) IN GENERAL.—Section 5323 of title 31,
13 United States Code, is amended to read as follows:

14 **“§ 5323. Whistleblower incentives and protections**

15 “(a) DEFINITIONS.—In this section:

16 “(1) COVERED JUDICIAL OR ADMINISTRATIVE
17 ACTION.—The term ‘covered judicial or administra-
18 tive action’ means any judicial or administrative ac-
19 tion brought by the Secretary of the Treasury (re-
20 ferred to in this section as the ‘Secretary’) or the
21 Attorney General under this subchapter or sub-
22 chapter III that results in monetary sanctions ex-
23 ceeding \$1,000,000.

1 “(2) FUND.—The term ‘Fund’ means the Anti-
2 Money Laundering and Counter-Terrorism Financ-
3 ing Fund established under subsection (g).

4 “(3) MONETARY SANCTIONS.—The term ‘mone-
5 tary sanctions’, when used with respect to any judi-
6 cial or administrative action—

7 “(A) means any monies, including pen-
8 alties, disgorgement, and interest, ordered to be
9 paid; and

10 “(B) does not include—

11 “(i) forfeiture;

12 “(ii) restitution; or

13 “(iii) any victim compensation pay-
14 ment.

15 “(4) ORIGINAL INFORMATION.—The term
16 ‘original information’ means information that—

17 “(A) is derived from the independent
18 knowledge or analysis of a whistleblower;

19 “(B) is not known to the Secretary or the
20 Attorney General from any other source, unless
21 the whistleblower is the original source of the
22 information; and

23 “(C) is not exclusively derived from an al-
24 legation made in a judicial or administrative
25 hearing, in a governmental report, hearing,

1 audit, or investigation, or from the news media,
2 unless the whistleblower is a source of the infor-
3 mation.

4 “(5) RELATED ACTION.—The term ‘related ac-
5 tion’, when used with respect to any judicial or ad-
6 ministrative action brought by the Secretary or the
7 Attorney General under this subchapter or sub-
8 chapter III, means any judicial or administrative ac-
9 tion brought by an entity described in any of sub-
10 clauses (I) through (IV) of subsection (h)(4)(D)(i)
11 that is based upon the original information provided
12 by a whistleblower pursuant to subsection (b) that
13 led to the successful enforcement of the action by
14 the Secretary or the Attorney General.

15 “(6) WHISTLEBLOWER.—

16 “(A) IN GENERAL.—The term ‘whistle-
17 blower’ means any individual who provides, or
18 2 or more individuals acting jointly who pro-
19 vide, information relating to a violation of this
20 subchapter or subchapter III to the Secretary
21 or the Attorney General, in a manner estab-
22 lished, by rule or regulation, by the Secretary,
23 in consultation with the Attorney General.

24 “(B) SPECIAL RULE.—Solely for the pur-
25 poses of subsection (h)(1), the term ‘whistle-

1 blower' includes any individual who takes, or 2
2 or more individuals acting jointly who take, an
3 action described in subsection (h)(1)(A).

4 “(b) AWARDS.—

5 “(1) IN GENERAL.—In any covered judicial or
6 administrative action, or related action, the Sec-
7 retary, under regulations prescribed by the Sec-
8 retary, in consultation with the Attorney General
9 and subject to subsection (c), shall pay an award or
10 awards to 1 or more whistleblowers who voluntarily
11 provided original information to the Secretary or the
12 Attorney General, as applicable, that led to the suc-
13 cessful enforcement of the covered judicial or admin-
14 istrative action, or related action, in an aggregate
15 amount equal to—

16 “(A) not less than 10 percent, in total, of
17 what has been collected of the monetary sanc-
18 tions imposed in the action or related actions;
19 and

20 “(B) not more than 30 percent, in total, of
21 what has been collected of the monetary sanc-
22 tions imposed in the action or related actions.

23 “(2) PAYMENT OF AWARDS.—Any amount paid
24 under paragraph (1) shall be paid from the Fund.

1 “(c) DETERMINATION OF AMOUNT OF AWARD; DE-
2 NIAL OF AWARD.—

3 “(1) DETERMINATION OF AMOUNT OF
4 AWARD.—

5 “(A) DISCRETION.—The determination of
6 the amount of an award made under subsection
7 (b) shall be in the discretion of the Secretary.

8 “(B) CRITERIA.—In determining the
9 amount of an award made under subsection (b),
10 the Secretary—

11 “(i) shall take into consideration—

12 “(I) the significance of the infor-
13 mation provided by the whistleblower
14 to the success of the covered judicial
15 or administrative action;

16 “(II) the degree of assistance
17 provided by the whistleblower and any
18 legal representative of the whistle-
19 blower in a covered judicial or admin-
20 istrative action;

21 “(III) the programmatic interest
22 of the Department of the Treasury in
23 deterring violations of this subchapter
24 and subchapter III by making awards
25 to whistleblowers who provide infor-

1 mation that lead to the successful en-
2 forcement of either such subchapter;
3 and

4 “(IV) such additional relevant
5 factors as the Secretary, in consulta-
6 tion with the Attorney General, may
7 establish by rule or regulation; and

8 “(ii) shall not take into consideration
9 the balance of the Fund.

10 “(2) DENIAL OF AWARD.—No award under
11 subsection (b) may be made—

12 “(A) to any whistleblower who is, or was at
13 the time the whistleblower acquired the original
14 information submitted to the Secretary or the
15 Attorney General, as applicable, a member, offi-
16 cer, or employee of—

17 “(i) an appropriate regulatory agency;

18 “(ii) the Department of the Treasury
19 or the Department of Justice; or

20 “(iii) a law enforcement agency;

21 “(B) to any whistleblower who is convicted
22 of a criminal violation related to the judicial or
23 administrative action for which the whistle-
24 blower otherwise could receive an award under
25 this section; or

1 “(C) to any whistleblower who fails to sub-
2 mit information to the Secretary or the Attor-
3 ney General, as applicable, in such form as the
4 Secretary, in consultation with the Attorney
5 General, may, by rule, require.

6 “(d) REPRESENTATION.—

7 “(1) PERMITTED REPRESENTATION.—Any
8 whistleblower who makes a claim for an award under
9 subsection (b) may be represented by counsel.

10 “(2) REQUIRED REPRESENTATION.—

11 “(A) IN GENERAL.—Any whistleblower
12 who anonymously makes a claim for an award
13 under subsection (b) shall be represented by
14 counsel if the whistleblower anonymously sub-
15 mits the information upon which the claim is
16 based.

17 “(B) DISCLOSURE OF IDENTITY.—Before
18 the payment of an award, a whistleblower shall
19 disclose the identity of the whistleblower and
20 provide such other information as the Secretary
21 may require, directly or through counsel for the
22 whistleblower.

23 “(e) NO CONTRACT NECESSARY.—No contract with
24 the Department of the Treasury is necessary for any whis-

1 tleblower to receive an award under subsection (b), unless
2 otherwise required by the Secretary by rule or regulation.

3 “(f) APPEALS.—

4 “(1) IN GENERAL.—Any determination made
5 under this section, including whether, to whom, or in
6 what amount to make awards, shall be in the discre-
7 tion of the Secretary.

8 “(2) REQUIREMENTS.—

9 “(A) IN GENERAL.—Any determination de-
10 scribed in paragraph (1), except the determina-
11 tion of the amount of an award if the award
12 was made in accordance with subsection (b),
13 may be appealed to the appropriate court of ap-
14 peals of the United States not more than 30
15 days after the determination is issued by the
16 Secretary.

17 “(B) SCOPE OF REVIEW.—The court to
18 which a determination by the Secretary is ap-
19 pealed under subparagraph (A) shall review the
20 determination in accordance with section 706 of
21 title 5.

22 “(g) ANTI-MONEY LAUNDERING AND COUNTER-TER-
23 RORISM FINANCING FUND.—

24 “(1) FUND ESTABLISHED.—There is estab-
25 lished in the Treasury of the United States a fund

1 to be known as the ‘Anti-Money Laundering and
2 Counter-Terrorism Financing Fund’.

3 “(2) USE OF FUND.—The Fund shall be avail-
4 able to the Secretary, without further appropriation
5 or fiscal year limitation, for paying awards to whis-
6 tleblowers as provided in subsection (b).

7 “(3) DEPOSITS AND CREDITS.—

8 “(A) IN GENERAL.—There shall be depos-
9 ited into or credited to the Fund an amount
10 equal to—

11 “(i) any monetary sanction collected
12 by the Secretary or the Attorney General
13 in any judicial or administrative action
14 brought by the applicable such official
15 under this subchapter or subchapter III;
16 and

17 “(ii) all income from investments
18 made under paragraph (4).

19 “(B) ADDITIONAL AMOUNTS.—If the
20 amounts deposited into or credited to the Fund
21 under subparagraph (A) are not sufficient to
22 satisfy an award made under subsection (b),
23 there shall be deposited into or credited to the
24 Fund an amount equal to the unsatisfied por-
25 tion of the award from any monetary sanction

1 collected by the Secretary or the Attorney Gen-
2 eral, as applicable, in the covered judicial or ad-
3 ministrative action on which the award is based.

4 “(4) INVESTMENTS.—

5 “(A) AMOUNTS IN FUND MAY BE IN-
6 VESTED.—The Secretary may invest the portion
7 of the Fund that is not, in the discretion of the
8 Secretary, required to meet the current needs of
9 the Fund.

10 “(B) ELIGIBLE INVESTMENTS.—Invest-
11 ments shall be made by the Secretary in obliga-
12 tions of the United States or obligations that
13 are guaranteed as to principal and interest by
14 the United States, with maturities suitable to
15 the needs of the Fund, as determined by the
16 Secretary.

17 “(C) INTEREST AND PROCEEDS CRED-
18 ITED.—The interest on, and the proceeds from
19 the sale or redemption of, any obligations held
20 in the Fund shall be credited to the Fund.

21 “(5) REPORTS TO CONGRESS.—

22 “(A) IN GENERAL.—Not later than Octo-
23 ber 30 of each fiscal year beginning after the
24 date of enactment of the Anti-Money Laun-
25 dering Act of 2020, the Secretary shall submit

1 to the Committee on Banking, Housing, and
2 Urban Affairs of the Senate and the Committee
3 on Financial Services of the House of Rep-
4 resentatives a report on—

5 “(i) the whistleblower award program
6 established under this section, including—

7 “(I) a description of the number
8 of awards granted; and

9 “(II) the types of cases in which
10 awards were granted during the pre-
11 ceding fiscal year;

12 “(ii) the balance of the Fund at the
13 beginning of the preceding fiscal year;

14 “(iii) the amounts deposited into or
15 credited to the Fund during the preceding
16 fiscal year;

17 “(iv) the amount of earnings on in-
18 vestments made under paragraph (4) dur-
19 ing the preceding fiscal year;

20 “(v) the amount paid from the Fund
21 during the preceding fiscal year to whistle-
22 blowers pursuant to subsection (b);

23 “(vi) the balance of the Fund at the
24 end of the preceding fiscal year; and

1 “(vii) a complete set of audited finan-
2 cial statements, including—

3 “(I) a balance sheet;

4 “(II) income statement; and

5 “(III) cash flow analysis.

6 “(B) EXCEPTION.—The Secretary may
7 withhold any information required to be re-
8 ported under subparagraph (A) as appropriate
9 for any case involving national security or pri-
10 vacy concerns.

11 “(h) PROTECTION OF WHISTLEBLOWERS.—

12 “(1) PROHIBITION AGAINST RETALIATION.—No
13 employer may, directly or indirectly, discharge, de-
14 mote, suspend, threaten, harass, or in any other
15 manner discriminate against a whistleblower in the
16 terms and conditions of employment because of any
17 lawful act done by the whistleblower—

18 “(A) in providing information to the Sec-
19 retary or the Attorney General in accordance
20 with this section;

21 “(B) in initiating, testifying in, or assisting
22 in any investigation or judicial or administrative
23 action of the Department of the Treasury or
24 the Department of Justice based upon or re-

1 lated to the information described in subpara-
2 graph (A); or

3 “(C) in providing information regarding
4 any conduct that the whistleblower reasonably
5 believes constitutes a violation of any law, rule,
6 or regulation subject to the jurisdiction of the
7 Department of the Treasury, or a violation of
8 section 1956, 1957, or 1960 of title 18 (or any
9 rule or regulation under any such provision),
10 to—

11 “(i) a person with supervisory author-
12 ity over the whistleblower at the employer
13 of the whistleblower; or

14 “(ii) another individual working for
15 the employer described in clause (i) who
16 the whistleblower reasonably believes has
17 the authority to—

18 “(I) investigate, discover, or ter-
19 minate the misconduct; or

20 “(II) take any other action to ad-
21 dress the misconduct.

22 “(2) ENFORCEMENT.—Any individual who al-
23 leges discharge or other discrimination, or is other-
24 wise aggrieved by an employer, in violation of para-
25 graph (1), may seek relief by—

1 “(A) filing a complaint with the Secretary
2 of Labor in accordance with the requirements
3 of this subsection; or

4 “(B) if the Secretary of Labor has not
5 issued a final decision within 180 days of the
6 filing of a complaint under subparagraph (A),
7 and there is no showing that such a delay is
8 due to the bad faith of the claimant, bringing
9 an action against the employer at law or in eq-
10 uity in the appropriate district court of the
11 United States, which shall have jurisdiction
12 over such an action without regard to the
13 amount in controversy.

14 “(3) PROCEDURE.—

15 “(A) DEPARTMENT OF LABOR COM-
16 PLAIN.—

17 “(i) IN GENERAL.—Except as pro-
18 vided in clause (ii) and subparagraph (C),
19 the requirements under section 42121(b)
20 of title 49, including the legal burdens of
21 proof described in such section 42121(b),
22 shall apply with respect to a complaint
23 filed under paragraph (2)(A) by an indi-
24 vidual against an employer.

1 “(ii) EXCEPTION.—With respect to a
2 complaint filed under paragraph (2)(A),
3 notification required to be made under sec-
4 tion 42121(b)(1) of title 49 shall be made
5 to each person named in the complaint, in-
6 cluding the employer.

7 “(B) DISTRICT COURT COMPLAINT.—

8 “(i) JURY TRIAL.—A party to an ac-
9 tion brought under paragraph (2)(B) shall
10 be entitled to trial by jury.

11 “(ii) STATUTE OF LIMITATIONS.—

12 “(I) IN GENERAL.—An action
13 may not be brought under paragraph
14 (2)(B)—

15 “(aa) more than 6 years
16 after the date on which the viola-
17 tion of paragraph (1) occurs; or

18 “(bb) more than 3 years
19 after the date on which when
20 facts material to the right of ac-
21 tion are known, or reasonably
22 should have been known, by the
23 employee alleging a violation of
24 paragraph (1).

1 “(II) REQUIRED ACTION WITHIN
2 10 YEARS.—Notwithstanding sub-
3 clause (I), an action under paragraph
4 (2)(B) may not in any circumstance
5 be brought more than 10 years after
6 the date on which the violation occurs.

7 “(C) RELIEF.—Relief for an individual
8 prevailing with respect to a complaint filed
9 under subparagraph (A) of paragraph (2) or an
10 action brought under subparagraph (B) of that
11 paragraph shall include—

12 “(i) reinstatement with the same se-
13 niority status that the individual would
14 have had, but for the conduct that is the
15 subject of the complaint or action, as ap-
16 plicable;

17 “(ii) 2 times the amount of back pay
18 otherwise owed to the individual, with in-
19 terest;

20 “(iii) the payment of compensatory
21 damages, which shall include compensation
22 for litigation costs, expert witness fees, and
23 reasonable attorneys’ fees; and

24 “(iv) any other appropriate remedy
25 with respect to the conduct that is the sub-

1 ject of the complaint or action, as applica-
2 ble.

3 “(4) CONFIDENTIALITY.—

4 “(A) IN GENERAL.—Except as provided in
5 subparagraphs (C) and (D), the Secretary or
6 the Attorney General, as applicable, and any of-
7 ficer or employee of the Department of the
8 Treasury or the Department of Justice, shall
9 not disclose any information, including informa-
10 tion provided by a whistleblower to either such
11 official, which could reasonably be expected to
12 reveal the identity of a whistleblower, except in
13 accordance with the provisions of section 552a
14 of title 5, unless and until required to be dis-
15 closed to a defendant or respondent in connec-
16 tion with a public proceeding instituted by the
17 appropriate such official or any entity described
18 in subparagraph (D).

19 “(B) EXEMPTED STATUTE.—For purposes
20 of section 552 of title 5, this paragraph shall be
21 considered a statute described in subsection
22 (b)(3)(B) of such section 552.

23 “(C) RULE OF CONSTRUCTION.—Nothing
24 in this section is intended to limit, or shall be
25 construed to limit, the ability of the Attorney

1 General to present such evidence to a grand
2 jury or to share such evidence with potential
3 witnesses or defendants in the course of an on-
4 going criminal investigation.

5 “(D) AVAILABILITY TO GOVERNMENT
6 AGENCIES.—

7 “(i) IN GENERAL.—Without the loss
8 of its status as confidential in the hands of
9 the Secretary or the Attorney General, as
10 applicable, all information referred to in
11 subparagraph (A) may, in the discretion of
12 the appropriate such official, when deter-
13 mined by that official to be necessary to
14 accomplish the purposes of this sub-
15 chapter, be made available to—

16 “(I) any appropriate Federal au-
17 thority;

18 “(II) a State attorney general in
19 connection with any criminal inves-
20 tigation;

21 “(III) any appropriate State reg-
22 ulatory authority; and

23 “(IV) a foreign law enforcement
24 authority.

25 “(ii) CONFIDENTIALITY.—

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1 “(I) IN GENERAL.—Each of the
2 entities described in subclauses (I)
3 through (III) of clause (i) shall main-
4 tain such information as confidential
5 in accordance with the requirements
6 established under subparagraph (A).

7 “(II) FOREIGN AUTHORITIES.—
8 Each entity described in clause (i)(IV)
9 shall maintain such information in ac-
10 cordance with such assurances of con-
11 fidentiality as determined by the Sec-
12 retary or Attorney General, as appli-
13 cable.

14 “(5) RIGHTS RETAINED.—Nothing in this sec-
15 tion shall be deemed to diminish the rights, privi-
16 leges, or remedies of any whistleblower under any
17 Federal or State law or under any collective bar-
18 gaining agreement.

19 “(6) COORDINATION WITH OTHER PROVISIONS
20 OF LAW.—This subsection shall not apply with re-
21 spect to any employer that is subject to section 33
22 of the Federal Deposit Insurance Act (12 U.S.C.
23 1831j) or section 213 or 214 of the Federal Credit
24 Union Act (12 U.S.C. 1790b, 1790c).

1 “(i) PROVISION OF FALSE INFORMATION.—A whis-
2 tleblower shall not be entitled to an award under this sec-
3 tion if the whistleblower—

4 “(1) knowingly and willfully makes any false,
5 fictitious, or fraudulent statement or representation;
6 or

7 “(2) uses any false writing or document know-
8 ing the writing or document contains any false, ficti-
9 tious, or fraudulent statement or entry.

10 “(j) RULEMAKING AUTHORITY.—The Secretary, in
11 consultation with the Attorney General, shall have the au-
12 thority to issue such rules and regulations as may be nec-
13 essary or appropriate to implement the provisions of this
14 section consistent with the purposes of this section.

15 “(k) NONENFORCEABILITY OF CERTAIN PROVISIONS
16 WAIVING RIGHTS AND REMEDIES OR REQUIRING ARBI-
17 TRATION OF DISPUTES.—

18 “(1) WAIVER OF RIGHTS AND REMEDIES.—The
19 rights and remedies provided for in this section may
20 not be waived by any agreement, policy form, or con-
21 dition of employment, including by a predispute ar-
22 bitration agreement.

23 “(2) PREDISPUTE ARBITRATION AGREE-
24 MENTS.—No predispute arbitration agreement shall

1 be valid or enforceable, if the agreement requires ar-
2 bitration of a dispute arising under this section.”.

3 (b) REPEAL OF SECTION 5328 OF TITLE 31.—Sec-
4 tion 5328 of title 31, United States Code, is repealed.

5 (c) TECHNICAL AND CONFORMING AMENDMENTS.—
6 The table of sections for subchapter II of chapter 53 of
7 title 31, United States Code, is amended—

8 (1) by striking the item relating to section 5323
9 and inserting the following:

“5323. Whistleblower incentives and protections.”; and

10 (2) by striking the item relating to section
11 5328.

12 **TITLE LIV—ESTABLISHING BEN-**
13 **EFICIAL OWNERSHIP INFOR-**
14 **MATION REPORTING RE-**
15 **QUIREMENTS**

16 **SEC. 5401. FINDINGS.**

17 Congress finds the following:

18 (1) More than 2,000,000 corporations and lim-
19 ited liability companies are being formed under the
20 laws of the States each year.

21 (2) Most or all States do not require informa-
22 tion about the beneficial owners of the corporations,
23 limited liability companies, or other similar entities
24 formed under the laws of the State.

1 (3) Malign actors seek to conceal their owner-
2 ship of corporations, limited liability companies, or
3 other similar entities in the United States to facili-
4 tate illicit activity, including money laundering, the
5 financing of terrorism, proliferation financing, seri-
6 ous tax fraud, human and drug trafficking, counter-
7 feiting, piracy, securities fraud, financial fraud, and
8 acts of foreign corruption, harming the national se-
9 curity interests of the United States and allies of the
10 United States.

11 (4) Money launderers and others involved in
12 commercial activity intentionally conduct trans-
13 actions through corporate structures in order to
14 evade detection, and may layer such structures,
15 much like Russian nesting “Matryoshka” dolls,
16 across various secretive jurisdictions such that each
17 time an investigator obtains ownership records for a
18 domestic or foreign entity, the newly identified entity
19 is yet another corporate entity, necessitating a re-
20 peat of the same process.

21 (5) National security, intelligence, and law en-
22 forcement investigations have been consistently im-
23 peded by an inability to reliably and promptly obtain
24 information identifying the individuals who ulti-
25 mately own corporations, limited liability companies,

1 or other similar entities suspected of engaging in il-
2 licit activity, as documented in reports and testi-
3 mony by officials from the Department of Justice,
4 the Department of Homeland Security, the Depart-
5 ment of the Treasury, the Government Account-
6 ability Office, and other agencies.

7 (6) In July 2006, the leading international anti-
8 money laundering standard-setting body, the Finan-
9 cial Action Task Force on Money Laundering (in
10 this section referred to as “FATF”), of which the
11 United States is a member, issued a report that
12 criticized the United States for failing to comply
13 with a FATF standard on the need to collect bene-
14 ficial ownership information and urged the United
15 States to correct this deficiency by July 2008.

16 (7) In December 2016, FATF issued another
17 evaluation of the United States, which found that
18 little progress had been made over the last 10 years
19 to address this problem. FATF identified the “[l]ack
20 of timely access to adequate, accurate and current
21 beneficial ownership (BO) information” as a “funda-
22 mental gap[.]” in efforts of the United States to
23 counter money laundering and the financing of ter-
24 rorism.

1 (8) In contrast to practices in the United
2 States, all 27 countries in the European Union are
3 required to have corporate registries that include
4 beneficial ownership information. The United King-
5 dom, its 3 crown dependencies, and 14 overseas ter-
6 ritories also require such registries.

7 (9) According to the 2020 National Strategy
8 for Combating Terrorist and other Illicit Finance
9 issued by the Department of the Treasury, “Misuse
10 of legal entities to hide a criminal beneficial owner
11 or illegal source of funds continues to be a common,
12 if not the dominant, feature of illicit finance
13 schemes, especially those involving money laun-
14 dering, predicate offences, tax evasion, and prolifera-
15 tion financing.”.

16 (10) Federal legislation providing for the collec-
17 tion of beneficial ownership information for corpora-
18 tions, limited liability companies, or other similar en-
19 tities formed under the laws of the States is needed
20 to—

21 (A) set a clear, Federal standard for incor-
22 poration practices;

23 (B) protect vital United States national se-
24 curity interests;

1 (C) protect interstate and foreign com-
2 merce;

3 (D) better enable critical national security,
4 intelligence, and law enforcement efforts to
5 counter money laundering, the financing of ter-
6 rorism, and other illicit activity; and

7 (E) bring the United States into compli-
8 ance with international anti-money laundering
9 and countering the financing of terrorism
10 standards.

11 **SEC. 5402. SENSE OF CONGRESS.**

12 It is the sense of Congress that—

13 (1) beneficial ownership information collected
14 under the amendments made by this title is sensitive
15 information and will be directly available only to au-
16 thorized government authorities, subject to effective
17 safeguards and controls, to—

18 (A) facilitate important national security,
19 intelligence, and law enforcement activities; and

20 (B) confirm beneficial ownership informa-
21 tion provided to financial institutions to facili-
22 tate the compliance of the institutions with cus-
23 tomer due-diligence requirements under applica-
24 ble law;

1 (2) consistent with applicable law, the Secretary
2 of the Treasury shall—

3 (A) maintain the information described in
4 paragraph (1) in a secure, nonpublic database,
5 using information security methods and tech-
6 niques that are appropriate to protect non-
7 classified information systems at the highest se-
8 curity level; and

9 (B) take all steps, including regular audit-
10 ing, to ensure that government authorities ac-
11 cessing beneficial ownership information do so
12 only for authorized purposes consistent with
13 this section; and

14 (3) in prescribing regulations to provide for the
15 reporting of beneficial ownership information, the
16 Secretary shall, to the greatest extent practicable
17 consistent with the purposes of this title—

18 (A) seek to minimize burdens on reporting
19 companies associated with the collection of ben-
20 efiticial ownership information;

21 (B) provide clarity to reporting companies
22 concerning the identification of their beneficial
23 ownership; and

24 (C) collect information in a form and man-
25 ner that is reasonably designed to generate a

1 database that is highly useful to national secu-
2 rity, intelligence, and law enforcement agencies,
3 and Federal functional regulators.

4 **SEC. 5403. BENEFICIAL OWNERSHIP INFORMATION RE-**
5 **PORTING REQUIREMENTS.**

6 (a) IN GENERAL.—Subchapter II of chapter 53 of
7 title 31, United States Code, as amended by sections
8 5305(a)(1), 5306(a), and 5313(a) of this division, is
9 amended by adding at the end the following:

10 **“§ 5336. Beneficial ownership information reporting**
11 **requirements**

12 “(a) DEFINITIONS.—In this section:

13 “(1) ACCEPTABLE IDENTIFICATION DOCU-
14 MENT.—The term ‘acceptable identification docu-
15 ment’ means, with respect to an individual—

16 “(A) a nonexpired passport issued by the
17 United States;

18 “(B) a nonexpired identification document
19 issued by a State, local government, or Indian
20 Tribe to the individual acting for the purpose of
21 identification of that individual;

22 “(C) a nonexpired driver’s license issued
23 by a State; or

24 “(D) if the individual does not have a doc-
25 ument described in subparagraph (A), (B), or

1 (C), a nonexpired passport issued by a foreign
2 government.

3 “(2) APPLICANT.—The term ‘applicant’ means
4 any individual who—

5 “(A) files an application to form a corpora-
6 tion, limited liability company, or other similar
7 entity under the laws of a State or Indian
8 Tribe; or

9 “(B) registers a corporation, limited liabil-
10 ity company, or other similar entity formed
11 under the laws of a foreign country to do busi-
12 ness in a State by filing a document with the
13 secretary of state or similar office under the law
14 of the State.

15 “(3) BENEFICIAL OWNER.—The term ‘bene-
16 ficial owner’—

17 “(A) means, with respect to an entity, an
18 individual who directly or indirectly, through
19 any contract, arrangement, understanding, rela-
20 tionship, or otherwise—

21 “(i) exercises substantial control over
22 the entity; or

23 “(ii) owns not less than 25 percent of
24 the equity interests of the entity; and

25 “(B) does not include—

1 “(i) a minor child, as defined in the
2 State in which the entity is formed, if the
3 information of the parent or guardian of
4 the minor child is reported in accordance
5 with this section;

6 “(ii) an individual acting as a nomi-
7 nee, intermediary, custodian, or agent on
8 behalf of another individual;

9 “(iii) an individual acting solely as an
10 employee of a corporation, limited liability
11 company, or other similar entity and whose
12 control over or economic benefits from
13 such entity is derived solely from the em-
14 ployment status of the person;

15 “(iv) an individual whose only interest
16 in a corporation, limited liability company,
17 or other similar entity is through a right of
18 inheritance; or

19 “(v) a creditor of a corporation, lim-
20 ited liability company, or other similar en-
21 tity, unless the creditor meets the require-
22 ments of subparagraph (A).

23 “(4) DIRECTOR.—The term ‘Director’ means
24 the Director of FinCEN.

1 “(5) FINCEN.—The term ‘FinCEN’ means the
2 Financial Crimes Enforcement Network of the De-
3 partment of the Treasury.

4 “(6) FINCEN IDENTIFIER.—The term
5 ‘FinCEN identifier’ means the unique identifying
6 number assigned by FinCEN to a person under this
7 section.

8 “(7) FOREIGN PERSON.—The term ‘foreign per-
9 son’ means a person who is not a United States per-
10 son, as defined in section 7701(a) of the Internal
11 Revenue Code of 1986.

12 “(8) INDIAN TRIBE.—The term ‘Indian Tribe’
13 has the meaning given the term in section 102 of the
14 Federally Recognized Indian Tribe List Act of 1994
15 (25 U.S.C. 5130).

16 “(9) LAWFULLY ADMITTED FOR PERMANENT
17 RESIDENCE.—The term ‘lawfully admitted for per-
18 manent residence’ has the meaning given the term
19 in section 101(a) of the Immigration and Nationality
20 Act (8 U.S.C. 1101(a)).

21 “(10) POOLED INVESTMENT VEHICLE.—The
22 term ‘pooled investment vehicle’ means—

23 “(A) any investment company, as defined
24 in section 3(a) of the Investment Company Act
25 of 1940 (15 U.S.C. 80a–3(a)); or

1 “(B) any company that—

2 “(i) would be an investment company
3 under that section but for the exclusion
4 provided from that definition by paragraph
5 (1) or (7) of section 3(c) of that Act (15
6 U.S.C. 80a-3(c)); and

7 “(ii) is identified by its legal name by
8 the applicable investment adviser in its
9 Form ADV (or successor form) filed with
10 the Securities and Exchange Commission.

11 “(11) REPORTING COMPANY.—The term ‘re-
12 porting company’—

13 “(A) means a corporation, limited liability
14 company, or other similar entity that is—

15 “(i) created by the filing of a docu-
16 ment with a secretary of state or a similar
17 office under the law of a State or Indian
18 Tribe; or

19 “(ii) formed under the law of a for-
20 eign country and registered to do business
21 in a State by the filing of a document with
22 a secretary of state or a similar office
23 under the law of the State; and

24 “(B) does not include—

25 “(i) an issuer—

1 “(I) of a class of securities reg-
2 istered under section 12 of the Securi-
3 ties Exchange Act of 1934 (15 U.S.C.
4 78l); or

5 “(II) that is required to file sup-
6 plementary and periodic information
7 under section 15(d) of the Securities
8 Exchange Act of 1934 (15 U.S.C.
9 78o(d));

10 “(ii) an entity—

11 “(I) established under the laws of
12 the United States, an Indian Tribe, a
13 State, or a political subdivision of a
14 State, or under an interstate compact
15 between 2 or more States; and

16 “(II) that exercises governmental
17 authority on behalf of the United
18 States or any such Indian Tribe,
19 State, or political subdivision;

20 “(iii) a depository institution (as de-
21 fined in section 3 of the Federal Deposit
22 Insurance Act (12 U.S.C. 1813));

23 “(iv) a Federal credit union or a State
24 credit union (as those terms are defined in

1 section 101 of the Federal Credit Union
2 Act (12 U.S.C. 1752));

3 “(v) a bank holding company (as de-
4 fined in section 2 of the Bank Holding
5 Company Act of 1956 (12 U.S.C. 1841)),
6 or a savings and loan holding company (as
7 defined in section 10(a) of the Home Own-
8 ers’ Loan Act (12 U.S.C. 1467a(a)));

9 “(vi) a money transmitting business
10 registered with the Secretary of the Treas-
11 ury under section 5330;

12 “(vii) a broker or dealer (as those
13 terms are defined in section 3 of the Secu-
14 rities Exchange Act of 1934 (15 U.S.C.
15 78c)), that is registered under section 15
16 of that Act (15 U.S.C. 78o);

17 “(viii) an exchange or clearing agency
18 (as those terms are defined in section 3 of
19 the Securities Exchange Act of 1934 (15
20 U.S.C. 78c)) that is registered under sec-
21 tion 6 or 17A of that Act (15 U.S.C. 78f,
22 78q-1);

23 “(ix) any other entity not described in
24 clause (i), (vii), or (viii) that is registered
25 with the Securities and Exchange Commis-

1 sion under the Securities Exchange Act of
2 1934 (15 U.S.C. 78a et seq.);

3 “(x) a person that—

4 “**(I)** is an investment company
5 (as defined in section 3 of the Invest-
6 ment Company Act of 1940 (15
7 U.S.C. 80a-3)) or an investment ad-
8 viser (as defined in section 202 of the
9 Investment Advisers Act of 1940 (15
10 U.S.C. 80b-2)); and

11 “**(II)** is registered with the Secu-
12 rities and Exchange Commission
13 under the Investment Company Act of
14 1940 (15 U.S.C. 80a-1 et seq.) or the
15 Investment Advisers Act of 1940 (15
16 U.S.C. 80b-1 et seq.);

17 “(xi) an investment adviser—

18 “**(I)** described in section 203(l) of
19 the Investment Advisers Act of 1940
20 (15 U.S.C. 80b-3(l)); and

21 “**(II)** that has filed the records
22 required by the Securities and Ex-
23 change Commission;

1 “(xii) an insurance company (as de-
2 fined in section 2 of the Investment Com-
3 pany Act of 1940 (15 U.S.C. 80a-2));

4 “(xiii)(I) a registered entity (as de-
5 fined in section 1a of the Commodity Ex-
6 change Act (7 U.S.C. 1a)); or

7 “(II) a person that is—

8 “(aa)(AA) a futures commission
9 merchant, introducing broker, swap
10 dealer, major swap participant, com-
11 modity pool operator, or commodity
12 trading advisor (as those terms are
13 defined in section 1a of the Com-
14 modity Exchange Act (7 U.S.C. 1a));
15 or

16 “(BB) a retail foreign exchange
17 dealer (as described in that Act (7
18 U.S.C. 1)); and

19 “(bb) registered with the Com-
20 modity Futures Trading Commission
21 under the Commodity Exchange Act
22 (7 U.S.C. 1 et seq.);

23 “(xiv) a public accounting firm reg-
24 istered in accordance with section 102 of

1 the Sarbanes-Oxley Act of 2002 (15
2 U.S.C. 7212);

3 “(xv) a public utility that provides
4 telecommunications services, electrical
5 power, natural gas, or water and sewer
6 services within the United States;

7 “(xvi) a financial market utility des-
8 ignated by the Financial Stability Over-
9 sight Council under section 804 of the
10 Payment, Clearing, and Settlement Super-
11 vision Act of 2010 (12 U.S.C. 5463);

12 “(xvii) any pooled investment vehicle
13 that is operated or advised by a person de-
14 scribed in clause (iii), (iv), (v), (vii), (ix),
15 (x), or (xii);

16 “(xviii) any—

17 “(I) organization which is de-
18 scribed in section 501(c) of the Inter-
19 nal Revenue Code of 1986 (deter-
20 mined without regard to section
21 508(a)) and exempt from tax under
22 section 501(a) of such Code, except
23 that in the case of any such organiza-
24 tion which loses an exemption from
25 tax, such organization shall be consid-

1 ered to be continued to be described
2 in this subclause for the 180-day pe-
3 riod beginning on the date of the loss
4 of such tax-exempt status;

5 “**(II)** political organization (as
6 defined in section 527(e)(1) of such
7 Code) that is exempt from tax under
8 section 527(a) of such Code; or

9 “**(III)** trust described in para-
10 graph (1) or (2) of section 4947(a) of
11 such Code;

12 “**(xix)** any corporation, limited liabil-
13 ity company, or other similar entity that—

14 “**(I)** operates exclusively to pro-
15 vide financial assistance to, or hold
16 governance rights over, any entity de-
17 scribed in clause (xviii);

18 “**(II)** is a United States person;

19 “**(III)** is beneficially owned or
20 controlled exclusively by 1 or more
21 United States persons that are United
22 States citizens or lawfully admitted
23 for permanent residence; and

24 “**(IV)** derives at least a majority
25 of its funding or revenue, from 1 or

1 more United States persons that are
2 United States citizens or lawfully ad-
3 mitted for permanent residence;

4 “(xx) any entity that—

5 “(I) employs more than 20 em-
6 ployees on a full-time basis in the
7 United States;

8 “(II) files income tax returns in
9 the United States demonstrating more
10 than \$5,000,000 in gross receipts or
11 sales in the aggregate, including the
12 receipts or sales of—

13 “(aa) other entities owned
14 by the entity; and

15 “(bb) other entities through
16 which the entity operates; and

17 “(III) has an operating presence
18 at a physical office within the United
19 States;

20 “(xxi) any corporation, limited liabil-
21 ity company, or other similar entity owned,
22 directly or indirectly, by 1 or more entities
23 described in clause (i), (ii), (iii), (iv), (v),
24 (vii), (viii), (ix), (x) , (xi), (xii), (xiii), (xiv),
25 (xv), (xvi), (xviii), or (xix);

1 “(xxii) any corporation, limited liabil-
2 ity company, or other similar entity—

3 “(I) in existence for over 1 year;

4 “(II) that is not engaged in ac-
5 tive business;

6 “(III) that is not owned, directly
7 or indirectly, by a foreign person;

8 “(IV) that has not, in the pre-
9 ceding 12-month period, experienced a
10 change in ownership or sent or re-
11 ceived funds in an amount greater
12 than \$1,000 (including all funds sent
13 to or received from any source
14 through a financial account or ac-
15 counts in which the entity, or an affil-
16 iate of the entity, maintains an inter-
17 est); and

18 “(V) that does not otherwise hold
19 any kind or type of assets, including
20 an ownership interest in any corpora-
21 tion, limited liability company, or
22 other similar entity;

23 “(xxiii) any entity or class of entities
24 that the Secretary of the Treasury, with
25 the written concurrence of the Attorney

1 General and the Secretary of Homeland
2 Security, has determined should be exempt
3 from the requirements of subsection (b)
4 because requiring beneficial ownership in-
5 formation from the entity or class of enti-
6 ties—

7 “(I) would not serve the public
8 interest; and

9 “(II) would not be highly useful
10 in national security, intelligence, and
11 law enforcement agency efforts to de-
12 tect, prevent, or prosecute money
13 laundering, the financing of terrorism,
14 proliferation finance, serious tax
15 fraud, or other crimes.

16 “(12) STATE.—The term ‘State’ means any
17 State of the United States, the District of Columbia,
18 the Commonwealth of Puerto Rico, the Common-
19 wealth of the Northern Mariana Islands, American
20 Samoa, Guam, the United States Virgin Islands, and
21 any other commonwealth, territory, or possession of
22 the United States.

23 “(13) UNIQUE IDENTIFYING NUMBER.—The
24 term ‘unique identifying number’ means, with re-
25 spect to an individual or an entity with a sole mem-

1 ber, the unique identifying number from an accept-
2 able identification document.

3 “(14) UNITED STATES PERSON.—The term
4 ‘United States person’ has the meaning given the
5 term in section 7701(a) of the Internal Revenue
6 Code of 1986.

7 “(b) BENEFICIAL OWNERSHIP INFORMATION RE-
8 PORTING.—

9 “(1) REPORTING.—

10 “(A) IN GENERAL.—In accordance with
11 regulations prescribed by the Secretary of the
12 Treasury, each reporting company shall submit
13 to FinCEN a report that contains the informa-
14 tion described in paragraph (2).

15 “(B) REPORTING OF EXISTING ENTI-
16 TIES.—In accordance with regulations pre-
17 scribed by the Secretary of the Treasury, any
18 reporting company that has been formed before
19 the effective date of the regulations prescribed
20 under this subsection shall, in a timely manner,
21 and not later than 2 years after the effective
22 date of the regulations prescribed under this
23 subsection, submit to FinCEN a report that
24 contains the information described in paragraph
25 (2).

1 “(C) REPORTING AT TIME OF FORMA-
2 TION.—In accordance with regulations pre-
3 scribed by the Secretary of the Treasury, any
4 reporting company that has been formed after
5 the effective date of the regulations promul-
6 gated under this subsection shall, at the time of
7 formation, submit to FinCEN a report that
8 contains the information described in paragraph
9 (2).

10 “(D) UPDATED REPORTING FOR CHANGES
11 IN BENEFICIAL OWNERSHIP.—In accordance
12 with regulations prescribed by the Secretary of
13 the Treasury, a reporting company shall, in a
14 timely manner, and not later than 1 year after
15 the date on which there is a change with re-
16 spect to any information described in paragraph
17 (2), submit to FinCEN a report that updates
18 the information relating to the change.

19 “(E) TREASURY REVIEW OF UPDATED RE-
20 PORTING FOR CHANGES IN BENEFICIAL OWNER-
21 SHIP.—The Secretary of the Treasury, in con-
22 sultation with the Attorney General and the
23 Secretary of Homeland Security, shall conduct
24 a review to evaluate—

1 “(i) the necessity of a requirement for
2 corporations, limited liability companies, or
3 other similar entities to update the report
4 on beneficial ownership information in
5 paragraph (2), related to a change in own-
6 ership, within a shorter period of time than
7 required under that subsection, taking into
8 account the updating requirements under
9 subparagraph (D) and the information
10 contained in the reports;

11 “(ii) the benefit to law enforcement
12 and national security officials that might
13 be derived from, and the burden that a re-
14 quirement to update the list of beneficial
15 owners within a shorter period of time
16 after a change in the list of beneficial own-
17 ers would impose on corporations, limited
18 liability companies, or other similar enti-
19 ties; and

20 “(iii) not later than 2 years after the
21 date of enactment of this section, incor-
22 porate into the regulations, as appropriate,
23 any changes necessary to implement the
24 findings and determinations based on the
25 review required under this subparagraph.

1 “(F) REGULATION REQUIREMENTS.—In
2 promulgating the regulations prescribed in sub-
3 paragraphs (A) through (D), the Secretary of
4 the Treasury shall endeavor, to the greatest ex-
5 tent practicable—

6 “(i) to establish partnerships with
7 State, local, and Tribal governmental agen-
8 cies.

9 “(ii) to collect information described
10 in paragraph (2) through existing Federal,
11 State, and local processes and procedures;

12 “(iii) to minimize burdens on report-
13 ing companies associated with the collec-
14 tion of the information described in para-
15 graph (2) in light of the private compliance
16 costs placed on legitimate businesses;

17 “(iv) to collect information described
18 in paragraph (2) in a form and manner
19 that ensures the information is highly use-
20 ful in—

21 “(I) facilitating important na-
22 tional security, intelligence, and law
23 enforcement activities; and

24 “(II) confirming beneficial owner-
25 ship information provided to financial

1 institutions to facilitate the compli-
2 ance of the institutions with anti-
3 money laundering, countering the fi-
4 nancing of terrorism, and customer
5 due diligence requirements under ap-
6 plicable law.

7 “(2) REQUIRED INFORMATION.—

8 “(A) IN GENERAL.—In accordance with
9 regulations prescribed by the Secretary of the
10 Treasury, a report delivered under paragraph
11 (1) shall, except as provided in subparagraph
12 (B), identify each beneficial owner of the appli-
13 cable reporting company and each applicant
14 with respect to that reporting company by—

15 “(i) full legal name;

16 “(ii) date of birth;

17 “(iii) current, as of the date on which
18 the report is delivered, residential or busi-
19 ness street address; and

20 “(iv)(I) unique identifying number
21 from an acceptable identification docu-
22 ment; or

23 “(II) FinCEN identifier in accordance
24 with requirements in paragraph (3).

1 “(B) REPORTING REQUIREMENT FOR EX-
2 EMPT ENTITIES HAVING AN OWNERSHIP INTER-
3 EST.—If an exempt entity described in sub-
4 section (a)(11)(B) has or will have a direct or
5 indirect ownership interest in a reporting com-
6 pany, the reporting company and the appli-
7 cant—

8 “(i) shall, with respect to the exempt
9 entity, only list the name of the exempt en-
10 tity; and

11 “(ii) shall not be required to report
12 the information with respect to the exempt
13 entity otherwise required under subpara-
14 graph (A).

15 “(C) REPORTING REQUIREMENT FOR
16 POOLED INVESTMENT VEHICLES.—Any cor-
17 poration, limited liability company, or other
18 similar entity that is an exempt entity described
19 in subsection (a)(11)(B)(xvii) and is formed
20 under the laws of a foreign country shall file
21 with FinCEN a written certification that pro-
22 vides identification information of an individual
23 that exercises substantial control over the
24 pooled investment vehicle in the same manner
25 as required under this subsection.

1 “(D) REPORTING REQUIREMENT FOR EX-
2 EMPT SUBSIDIARIES.—Any corporation, limited
3 liability company, or other similar entity that is
4 an exempt entity described in subsection
5 (a)(11)(B)(xix), shall, in accordance with regu-
6 lations issued by the Secretary, submit to
7 FinCEN a report containing the information re-
8 quired under subparagraph (A) promptly after
9 the date on which the entity no longer meets
10 the criteria described in subsection
11 (a)(11)(B)(xix), but in no case later than 90
12 days after that date.

13 “(E) REPORTING REQUIREMENT FOR
14 GRANDFATHERED EXEMPT ENTITIES.—Any
15 corporation, limited liability company, or other
16 similar entity that is an exempt entity described
17 in subsection (a)(11)(B)(xxii), shall, in accord-
18 ance with regulations issued by the Secretary,
19 submit to FinCEN a report containing the in-
20 formation required under subparagraph (A)
21 promptly after the date on which the entity no
22 longer meets the criteria described in subsection
23 (a)(11)(B)(xxii), but in no case later than 90
24 days after such date.

25 “(3) FINCEN IDENTIFIER.—

1 “(A) ISSUANCE OF FINCEN IDENTIFIER.—

2 “(i) IN GENERAL.—Upon request by
3 an individual who has provided FinCEN
4 with the information described in para-
5 graph (2)(A) pertaining to the individual,
6 or by an entity that has reported its bene-
7 ficial ownership information to FinCEN in
8 accordance with this section, FinCEN shall
9 issue a FinCEN identifier to such indi-
10 vidual or entity.

11 “(ii) UPDATING OF INFORMATION.—

12 An individual with a FinCEN identifier
13 shall submit filings with FinCEN pursuant
14 to paragraph (1) updating any information
15 described in paragraph (2) in a timely
16 manner consistent with subparagraph (D).

17 “(B) USE OF FINCEN IDENTIFIER FOR IN-
18 DIVIDUALS.—Any person required to report the
19 information described in paragraph (2) with re-
20 spect to an individual may instead report the
21 FinCEN identifier of the individual.

22 “(C) USE OF FINCEN IDENTIFIER FOR EN-
23 TITIES.— If an individual is or may be a bene-
24 ficial owner of a reporting company by an inter-
25 est held by the individual in an entity that, di-

1 rectly or indirectly, holds an interest in the re-
2 porting company, the reporting company may
3 report the FinCEN identifier of the entity in
4 lieu of providing the information required by
5 paragraph (2)(A) with respect to the individual.

6 “(4) REGULATIONS.—The Secretary of the
7 Treasury shall—

8 “(A) by regulation prescribe procedures
9 and standards governing any report under
10 paragraph (2) and any FinCEN identifier
11 under paragraph (3); and

12 “(B) in promulgating the regulations
13 under subparagraph (A), endeavor, to the ex-
14 tent practicable, consistent with the purposes of
15 this section—

16 “(i) to minimize burdens on reporting
17 companies associated with the collection of
18 beneficial ownership information; and

19 “(ii) to ensure the beneficial owner-
20 ship information reported to FinCEN is
21 accurate, complete, and highly useful.

22 “(5) EFFECTIVE DATE.—The requirements of
23 this subsection shall take effect on the effective date
24 of the regulations prescribed by the Secretary of the
25 Treasury under this subsection, which shall not be

1 later than 1 year after the date of enactment of this
2 section.

3 “(c) RETENTION AND DISCLOSURE OF BENEFICIAL
4 OWNERSHIP INFORMATION BY FINCEN.—

5 “(1) RETENTION OF INFORMATION.—Beneficial
6 ownership information required under subsection (b)
7 relating to each reporting company shall be main-
8 tained by FinCEN.

9 “(2) DISCLOSURE.—

10 “(A) PROHIBITION.—Except as authorized
11 by this subsection and the protocols promul-
12 gated under this subsection, beneficial owner-
13 ship information reported under this section
14 shall be confidential and may not be disclosed
15 by—

16 “(i) an officer or employee of the
17 United States;

18 “(ii) an officer or employee of any
19 State, local, or Tribal agency; or

20 “(iii) an officer or employee of any fi-
21 nancial institution or regulatory agency re-
22 ceiving information under this subsection.

23 “(B) SCOPE OF DISCLOSURE BY FINCEN.—
24 FinCEN may disclose beneficial ownership in-

1 shall by regulation prescribe the form and man-
2 ner in which information shall be provided to a
3 financial institution under subparagraph
4 (B)(iii), which shall include that the informa-
5 tion shall also be available to a Federal func-
6 tional regulator or other appropriate regulatory
7 agency, as determined by the Secretary, if the
8 agency—

9 “(i) is authorized by law to assess, su-
10 pervise, enforce, or otherwise determine the
11 compliance of the financial institution with
12 the requirements described in that sub-
13 paragraph;

14 “(ii) uses the information solely for
15 the purpose of conducting the assessment,
16 supervision, or authorized investigation or
17 activity described in clause (i); and

18 “(iii) enters into an agreement with
19 the Secretary providing for appropriate
20 protocols governing the safekeeping of the
21 information.

22 “(3) APPROPRIATE PROTOCOLS.—The Sec-
23 retary of the Treasury shall establish protocols de-
24 scribed in paragraph (2)(A) that—

1 “(A) protect the security and confiden-
2 tiality of any beneficial ownership information
3 provided directly by the Secretary of the Treas-
4 ury;

5 “(B) require that beneficial ownership in-
6 formation be provided to the requesting agency
7 only upon written certification that applicable
8 requirements have been met, in such form and
9 manner as the Secretary of the Treasury may
10 prescribe that, at a minimum, states that the
11 information is relevant to an authorized inves-
12 tigation or activity described in paragraph (2);

13 “(C) require the requesting agency to
14 limit, to the greatest extent practicable, the
15 scope of information sought, consistent with the
16 purposes for seeking beneficial ownership infor-
17 mation;

18 “(D) restrict, to the satisfaction of the
19 Secretary of the Treasury, access to beneficial
20 ownership information only to users at the re-
21 questing agency—

22 “(i) who are authorized by agreement
23 with the Secretary to access the informa-
24 tion;

1 “(ii) whose duties or responsibilities
2 require such access;

3 “(iii) who have undergone appropriate
4 training; and

5 “(iv) who use appropriate identity
6 verification mechanisms to obtain access to
7 the information;

8 “(E) require the requesting agency to
9 maintain an auditable trail of each request for
10 beneficial ownership information submitted to
11 the Secretary of the Treasury by the agency, in-
12 cluding the reason for the request, the name of
13 the individual who made the request, the date
14 of the request, and any other information the
15 Secretary of the Treasury determines is appro-
16 priate;

17 “(F) require that the requesting agency re-
18 ceiving beneficial ownership information from
19 the Secretary of the Treasury conduct an an-
20 nual audit to verify that the beneficial owner-
21 ship information received from the Secretary
22 has been accessed and used appropriately, and
23 in a manner consistent with this paragraph;
24 and

1 “(G) require the Secretary of the Treasury
2 to conduct an annual audit of the adherence of
3 the agencies to the protocols established under
4 this paragraph to ensure that agencies are re-
5 questing and using beneficial ownership infor-
6 mation appropriately.

7 “(4) DEPARTMENT OF THE TREASURY AC-
8 CESS.—

9 “(A) IN GENERAL.—Beneficial ownership
10 information shall be accessible for inspection or
11 disclosure to officers and employees of Depart-
12 ment of the Treasury whose official duties re-
13 quire such inspection or disclosure subject to
14 procedures and safeguards prescribed by the
15 Secretary of the Treasury.

16 “(B) TAX ADMINISTRATION PURPOSES.—
17 Officers and employees of the Department of
18 the Treasury shall obtain access to beneficial
19 ownership information for tax administration
20 purposes in accordance with this subsection.

21 “(5) REJECTION OF REQUEST.—The Secretary
22 of the Treasury—

23 “(A) shall reject a request not submitted
24 in the form and manner prescribed by the Sec-
25 retary under paragraph (2)(C); and

1 “(B) may decline to provide information
2 requested under this subsection upon finding
3 that—

4 “(i) the requesting agency has failed
5 to meet any other requirement of this sub-
6 section;

7 “(ii) the information is being re-
8 quested for an unlawful purpose; or

9 “(iii) other good cause exists to deny
10 the request.

11 “(6) SUSPENSION.—The Secretary of the
12 Treasury may suspend or debar a requesting agency
13 from access for any of the grounds set forth in para-
14 graph (5), including for repeated or serious viola-
15 tions of any requirement under paragraph (2).

16 “(7) SECURITY PROTECTIONS.—The Secretary
17 of the Treasury shall maintain information security
18 protections, including encryption, for information re-
19 ported to FinCEN under subsection (b) and ensure
20 that the protections—

21 “(A) are consistent with standards and
22 guidelines developed under subchapter II of
23 chapter 35 of title 44; and

24 “(B) incorporate Federal information sys-
25 tem security controls for high-impact systems,

1 excluding national security systems, consistent
2 with applicable law to prevent the loss of con-
3 fidentiality, integrity, or availability of informa-
4 tion that may have a severe or catastrophic ad-
5 verse effect.

6 “(8) VIOLATION OF PROTOCOLS.—Any em-
7 ployee or officer of a requesting agency under para-
8 graph (2)(B) that violates the protocols described in
9 paragraph (3) shall be subject to criminal and civil
10 penalties under subsection (h)(3)(B).

11 “(d) AGENCY COORDINATION.—

12 “(1) IN GENERAL.—The Secretary of the
13 Treasury shall, to the greatest extent practicable,
14 update the information described in subsection (b)
15 by working collaboratively with other relevant Fed-
16 eral, State, and Tribal agencies.

17 “(2) INFORMATION FROM RELEVANT FEDERAL,
18 STATE, AND TRIBAL AGENCIES.—Relevant Federal,
19 State, and Tribal agencies, as determined by the
20 Secretary of the Treasury, shall, to the extent prac-
21 ticable, and consistent with applicable legal protec-
22 tions, cooperate with and provide information re-
23 quested by FinCEN for purposes of maintaining an
24 accurate, complete, and highly useful database for
25 beneficial ownership information.

1 “(3) REGULATIONS.—The Secretary of the
2 Treasury, in consultation with the heads of other
3 relevant Federal agencies, may promulgate regula-
4 tions as necessary to carry out this subsection.

5 “(e) NOTIFICATION OF FEDERAL OBLIGATIONS.—

6 “(1) FEDERAL.—The Secretary of the Treasury
7 shall take reasonable steps to provide notice to per-
8 sons of their obligations to report beneficial owner-
9 ship information under this section, including by
10 causing appropriate informational materials describ-
11 ing such obligations to be included in 1 or more
12 forms or other informational materials regularly dis-
13 tributed by the Internal Revenue Service and
14 FinCEN.

15 “(2) STATES AND INDIAN TRIBES.—

16 “(A) IN GENERAL.—As a condition of the
17 funds made available under this section, each
18 State and Indian Tribe shall, not later than 2
19 years after the effective date of regulations pro-
20 mulgated under subsection (b)(5), take the fol-
21 lowing actions:

22 “(i) The secretary of a State or a
23 similar office in each State or Indian Tribe
24 responsible for the establishment of enti-
25 ties created by the filing of a public docu-

1 ment with the office under the law of the
2 State or Indian Tribe shall periodically, in-
3 cluding at the time of any initial formation
4 or registration of an entity, assessment of
5 an annual fee, or renewal of any license to
6 do business in the State or Indian country
7 and in connection with State or Indian
8 Tribe corporate tax assessments or renew-
9 als—

10 “(I) notify filers of their require-
11 ments as reporting companies under
12 this section, including the require-
13 ments to file and update reports
14 under subparagraphs (B) and (D) of
15 subsection (b)(1); and

16 “(II) provide the filers with a
17 copy of the reporting company form
18 created by the Secretary of the Treas-
19 ury under this subsection or an inter-
20 net link to that form.

21 “(ii) The secretary of a State or a
22 similar office in each State or Indian Tribe
23 responsible for the establishment of enti-
24 ties created by the filing of a public docu-
25 ment with the office under the law of the

1 State or Indian Tribes shall update the
2 websites, forms relating to incorporation,
3 and physical premises of the office to no-
4 tify filers of their requirements as report-
5 ing companies under this section, including
6 providing an internet link to the reporting
7 company form created by the Secretary of
8 the Treasury under this section.

9 “(B) NOTIFICATION FROM THE DEPART-
10 MENT OF THE TREASURY.—A notification
11 under clause (i) or (ii) of subparagraph (A)
12 shall explicitly state that the notification is on
13 behalf of the Department of the Treasury for
14 the purpose of preventing money laundering,
15 the financing of terrorism, proliferation financ-
16 ing, serious tax fraud, and other financial crime
17 by requiring nonpublic registration of business
18 entities formed or registered to do business in
19 the United States.

20 “(f) NO BEARER SHARE CORPORATIONS OR LIMITED
21 LIABILITY COMPANIES.—A corporation, limited liability
22 company, or other similar entity formed under the laws
23 of a State or Indian Tribe may not issue a certificate in
24 bearer form evidencing either a whole or fractional interest
25 in the entity.

1 “(g) REGULATIONS.—In promulgating regulations
2 carrying out this section, the Director shall reach out to
3 members of the small business community and other ap-
4 propriate parties to ensure efficiency and effectiveness of
5 the process for the entities subject to the requirements of
6 this section.

7 “(h) PENALTIES.—

8 “(1) REPORTING VIOLATIONS.—It shall be un-
9 lawful for any person to—

10 “(A) willfully provide, or attempt to pro-
11 vide, false or fraudulent beneficial ownership in-
12 formation, including a false or fraudulent iden-
13 tifying photograph or document, to FinCEN in
14 accordance with subsection (b); or

15 “(B) willfully fail to report complete or up-
16 dated beneficial ownership information to
17 FinCEN in accordance with subsection (b).

18 “(2) UNAUTHORIZED DISCLOSURE OR USE.—
19 Except as authorized by this section, it shall be un-
20 lawful for any person to knowingly disclose or know-
21 ingly use the beneficial ownership information ob-
22 tained by the person through—

23 “(A) a report submitted to FinCEN under
24 subsection (b); or

1 “(B) a disclosure made by FinCEN under
2 subsection (c).

3 “(3) CRIMINAL AND CIVIL PENALTIES.—

4 “(A) REPORTING VIOLATIONS.—Any per-
5 son who violates subparagraph (A) or (B) of
6 paragraph (1)—

7 “(i) shall be liable to the United
8 States for a civil penalty of not more than
9 \$500 for each day that the violation con-
10 tinues or has not been remedied; and

11 “(ii) may be fined not more than
12 \$10,000, imprisoned for not more than 2
13 years, or both.

14 “(B) UNAUTHORIZED DISCLOSURE OR USE
15 VIOLATIONS.—Any person who violates para-
16 graph (2)—

17 “(i) shall be liable to the United
18 States for a civil penalty of not more than
19 \$500 for each day that the violation con-
20 tinues or has not been remedied; and

21 “(ii)(I) shall be fined not more than
22 \$250,000, or imprisoned for not more than
23 5 years, or both; or

24 “(II) while violating another law of
25 the United States or as part of a pattern

1 of any illegal activity involving more than
2 \$100,000 in a 12-month period, shall be
3 fined not more than \$500,000, imprisoned
4 for not more than 10 years, or both.

5 “(C) SAFE HARBOR.—

6 “(i) SAFE HARBOR.—

7 “(I) IN GENERAL.—Except as
8 provided in subclause (II), a person
9 shall not be subject to civil or criminal
10 penalty under subparagraph (A) if the
11 person—

12 “(aa) has reason to believe
13 that any report submitted by the
14 person in accordance with sub-
15 section (b) contains inaccurate
16 information; and

17 “(bb) in accordance with
18 regulations issued by the Sec-
19 retary, voluntarily and promptly,
20 and in no case later than 90
21 days, submits a report containing
22 corrected information.

23 “(II) EXCEPTIONS.—A person
24 shall not be exempt from penalty
25 under clause (i) if, at the time the

1 person submits the report required by
2 subsection (b), the person—

3 “(aa) acts for the purpose of
4 evading the reporting require-
5 ments under subsection (b); and

6 “(bb) has actual knowledge
7 that any information contained in
8 the report is inaccurate.

9 “(ii) ASSISTANCE.—FinCEN shall
10 provide assistance to any person seeking to
11 submit a corrected report in accordance
12 with clause (i)(I).

13 “(4) USER COMPLAINT PROCESS.—

14 “(A) IN GENERAL.—The Inspector General
15 of the Department of the Treasury, in coordina-
16 tion with the Secretary of the Treasury, shall
17 provide public contact information to receive ex-
18 ternal comments or complaints regarding the
19 beneficial ownership information notification
20 and collection process or regarding the accu-
21 racy, completeness, or timeliness of such infor-
22 mation.

23 “(B) REPORT.—The Inspector General of
24 the Department of the Treasury shall submit to
25 Congress a periodic report that—

1 “(i) summarizes external comments or
2 complaints and related investigations con-
3 ducted by the Inspector General related to
4 the collection of beneficial ownership infor-
5 mation; and

6 “(ii) includes recommendations, in co-
7 ordination with FinCEN, to improve the
8 form and manner of the notification, col-
9 lection and updating processes of the bene-
10 ficial ownership information reporting re-
11 quirements to ensure the beneficial owner-
12 ship information reported to FinCEN is
13 accurate, complete, and highly useful.

14 “(5) TREASURY OFFICE OF INSPECTOR GEN-
15 ERAL INVESTIGATION IN THE EVENT OF A CYBERSE-
16 CURITY BREACH.—

17 “(A) IN GENERAL.—In the event of a cy-
18 bersecurity breach that results in substantial
19 unauthorized access and disclosure of sensitive
20 beneficial ownership information, the Inspector
21 General of the Department of the Treasury
22 shall conduct an investigation into FinCEN cy-
23 bersecurity practices that, to the extent pos-
24 sible, determines any vulnerabilities within
25 FinCEN information security and confiden-

1 tiality protocols and provides recommendations
2 for fixing those deficiencies.

3 “(B) REPORT.—The Inspector General of
4 the Department of the Treasury shall submit to
5 the Secretary of the Treasury a report on each
6 investigation conducted under subparagraph
7 (A).

8 “(C) ACTIONS OF THE SECRETARY.—Upon
9 receiving a report submitted under subpara-
10 graph (B), the Secretary of the Treasury
11 shall—

12 “(i) determine whether the Director
13 had any responsibility for the cybersecurity
14 breach or whether policies, practices, or
15 procedures implemented at the direction of
16 the Director led to the cybersecurity
17 breach; and

18 “(ii) submit to Congress a written re-
19 port outlining the findings of the Sec-
20 retary, including a determination by the
21 Secretary on whether to retain or dismiss
22 the individual serving as the Director.

23 “(6) DEFINITION.—In this subsection, the term
24 ‘willfully’ means the voluntary, intentional violation
25 of a known legal duty.

1 “(i) CONTINUOUS REVIEW OF EXEMPT ENTITIES.—

2 “(1) IN GENERAL.—On and after the effective
3 date of the regulations promulgated under this sec-
4 tion, if the Secretary of the Treasury makes a deter-
5 mination, which may be based on information con-
6 tained in the report required under section 5501(d)
7 of the Anti-Money Laundering Act of 2020 or on
8 any other information available to the Secretary,
9 that an entity or class of entities in the list in sub-
10 section (a)(11)(B) has been subject to significant
11 abuse relating to money laundering, the financing of
12 terrorism, proliferation finance, serious tax fraud, or
13 other illicit activity, not later than 90 days after the
14 date on which the Secretary makes the determina-
15 tion, the Secretary shall submit to the Committee on
16 Banking, Housing, and Urban Affairs of the Senate
17 and the Committee on Financial Services of the
18 House of Representatives a report that explains the
19 reasons for the determination and any administra-
20 tive or legislative recommendations to prevent such
21 abuse.

22 “(2) CLASSIFIED ANNEX.—The report required
23 by paragraph (1)—

24 “(A) shall be submitted in unclassified
25 form; and

1 “(B) may include a classified annex.”.

2 (b) CONFORMING AMENDMENTS.—Title 31, United
3 States Code, is amended—

4 (1) in section 5321(a)—

5 (A) in paragraph (1), by striking “sections
6 5314 and 5315” each place that term appears
7 and inserting “sections 5314, 5315, and 5336”;
8 and

9 (B) in paragraph (6), by inserting “(except
10 section 5336)” after “subchapter” each place
11 that term appears; and

12 (2) in section 5322, by striking “section 5315
13 or 5324” each place that term appears and inserting
14 “section 5315, 5324, or 5336”.

15 (3) in the table of sections for chapter 53, as
16 amended by sections 5305(b)(1), 5306(b), and
17 5312(b) of this division, is amended by adding at
18 the end the following:

“5336. Beneficial ownership information reporting requirements.”.

19 (c) REPORTING REQUIREMENTS FOR FEDERAL CON-
20 TRACTORS.—

21 (1) IN GENERAL.—Not later than 2 years after
22 the date of the enactment of this Act, the Adminis-
23 trator for Federal Procurement Policy shall revise
24 the Federal Acquisition Regulation maintained
25 under section 1303(a)(1) of title 41, United States

1 Code, to require any contractor or subcontractor
2 who is subject to the requirement to disclose bene-
3 ficial ownership information under section 5336 of
4 title 31, United States Code, as added by subsection
5 (a) of this section, to provide the information re-
6 quired to be disclosed under such section to the Fed-
7 eral Government as part of any bid or proposal for
8 a contract with a value threshold in excess of the
9 simplified acquisition threshold under section 134 of
10 title 41, United States Code.

11 (2) APPLICABILITY.—The revision required
12 under paragraph (1) shall not apply to a covered
13 contractor or subcontractor, as defined in section
14 847 of the National Defense Authorization Act for
15 Fiscal Year 2020 (Public Law 116–92), that is sub-
16 ject to the beneficial ownership disclosure and review
17 requirements under that section.

18 (d) REVISED DUE DILIGENCE RULEMAKING.—

19 (1) IN GENERAL.—Not later than 1 year after
20 the effective date of the regulations promulgated
21 under section 5336(b)(5) of title 31, United States
22 Code, as added by subsection (a) of this section, the
23 Secretary shall revise the final rule entitled “Cus-
24 tomer Due Diligence Requirements for Financial In-

1 stitutions”(81 Fed. Reg. 29397 (May 11, 2016))

2 to—

3 (A) bring the rule into conformance with
4 this division and the amendments made by this
5 division;

6 (B) account for the access of financial in-
7 stitutions to beneficial ownership information
8 filed by reporting companies, and provided in
9 the form and manner prescribed by the Sec-
10 retary, to confirm the beneficial ownership in-
11 formation provided directly to financial institu-
12 tions to facilitate the compliance of those insti-
13 tutions with anti-money laundering, countering
14 the financing of terrorism, and customer due
15 diligence requirements under applicable law;
16 and

17 (C) reduce any burdens on financial insti-
18 tutions that are, in light of the enactment of
19 this division and the amendments made by this
20 division, unnecessary or duplicative.

21 (2) CONSIDERATIONS.—In fulfilling the require-
22 ments under this subsection, the Secretary shall con-
23 sider—

1 (A) the use of risk-based principles for re-
2 quiring reports of beneficial ownership informa-
3 tion;

4 (B) the degree of reliance by financial in-
5 stitutions on information provided by FinCEN
6 for purposes of obtaining and updating bene-
7 ficial ownership information;

8 (C) strategies to improve the accuracy,
9 completeness, and timeliness of the beneficial
10 ownership information reported to the Sec-
11 retary; and

12 (D) any other matter that the Secretary
13 determines is appropriate.

14 **TITLE LV—MISCELLANEOUS**

15 **SEC. 5501. INVESTIGATIONS AND PROSECUTION OF OF-** 16 **FENSES FOR VIOLATIONS OF THE SECURI-** 17 **TIES LAWS.**

18 (a) IN GENERAL.—Section 21(d) of the Securities
19 Exchange Act of 1934 (15 U.S.C. 78u(d)) is amended—

20 (1) in paragraph (3)—

21 (A) in the paragraph heading—

22 (i) by inserting “CIVIL” before
23 “MONEY PENALTIES”; and

1 (ii) by striking “IN CIVIL AC-
2 TIONS” and inserting “AND AUTHOR-
3 ITY TO SEEK DISGORGEMENT”;

4 (B) in subparagraph (A), by striking “ju-
5 risdiction to impose” and all that follows
6 through the period at the end and inserting the
7 following: “jurisdiction to—

8 “(i) impose, upon a proper showing, a
9 civil penalty to be paid by the person who
10 committed such violation; and

11 “(ii) require disgorgement under para-
12 graph (7) of any unjust enrichment by the
13 person who received such unjust enrich-
14 ment as a result of such violation.”; and

15 (C) in subparagraph (B)—

16 (i) in clause (i), in the first sentence,
17 by striking “the penalty” and inserting “a
18 civil penalty imposed under subparagraph
19 (A)(i)”;

20 (ii) in clause (ii), by striking “amount
21 of penalty” and inserting “amount of a
22 civil penalty imposed under subparagraph
23 (A)(i)”;

24 (iii) in clause (iii), in the matter pre-
25 ceding item (aa), by striking “amount of

1 penalty for each such violation” and insert-
2 ing “amount of a civil penalty imposed
3 under subparagraph (A)(i) for each viola-
4 tion described in that subparagraph”;

5 (2) in paragraph (4), by inserting “under para-
6 graph (7)” after “funds disgorged”; and

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

8 “(7) DISGORGEMENT.—In any action or pro-
9 ceeding brought by the Commission under any provi-
10 sion of the securities laws, the Commission may
11 seek, and any Federal court may order,
12 disgorgement.

13 “(8) LIMITATIONS PERIODS.—

14 “(A) DISGORGEMENT.—The Commission
15 may bring a claim for disgorgement under para-
16 graph (7)—

17 “(i) not later than 5 years after the
18 latest date of the violation that gives rise
19 to the action or proceeding in which the
20 Commission seeks the claim occurs; or

21 “(ii) not later than 10 years after the
22 latest date of the violation that gives rise
23 to the action or proceeding in which the
24 Commission seeks the claim if the violation
25 involves conduct that violates section

1 10(b), section 17(a)(1) of the Securities
2 Act of 1933 (15 U.S.C. 77q(a)(1)), section
3 206(1) of the Investment Advisers Act of
4 1940 (15 U.S.C. 80b-6(1)), or any other
5 provision of the securities laws that re-
6 quires scienter.

7 “(B) **EQUITABLE REMEDIES.**—The Com-
8 mission may seek a claim for any equitable
9 remedy, including for an injunction or a bar,
10 suspension, or cease and desist order, not later
11 than 10 years after the latest date on which a
12 violation that gives rise to the claim occurs.

13 “(C) **CALCULATION.**—For the purposes of
14 calculating any limitations period under this
15 paragraph with respect to an action or claim,
16 any time in which the person against which the
17 action or claim, as applicable, is brought is out-
18 side of the United States shall not count to-
19 wards the accrual of that period.

20 “(9) **RULE OF CONSTRUCTION.**—Nothing in
21 paragraph (7) may be construed as altering any
22 right that any private party may have to maintain
23 a suit for a violation of this Act.”.

24 (b) **APPLICABILITY.**—The amendments made by sub-
25 section (a) shall apply with respect to any action or pro-

1 ceeding that is pending on, or commenced on or after, the
2 date of enactment of this Act.

3 **SEC. 5502. GAO AND TREASURY STUDIES ON BENEFICIAL**
4 **OWNERSHIP INFORMATION REPORTING RE-**
5 **QUIREMENTS.**

6 (a) EFFECTIVENESS OF INCORPORATION PRACTICES
7 STUDY.—Not later than 2 years after the effective date
8 of the regulations promulgated under section 5336(b)(5)
9 of title 31, United States Code, as added by section
10 5403(a) of this division, the Comptroller General of the
11 United States shall conduct a study and submit to the
12 Congress a report assessing the effectiveness of incorpora-
13 tion practices implemented under this division, and the
14 amendments made by this division, in—

15 (1) providing national security, intelligence, and
16 law enforcement agencies with prompt access to reli-
17 able, useful, and complete beneficial ownership infor-
18 mation; and

19 (2) strengthening the capability of national se-
20 curity, intelligence, and law enforcement agencies
21 to—

22 (A) combat incorporation abuses and civil
23 and criminal misconduct; and

24 (B) detect, prevent, or prosecute money
25 laundering, the financing of terrorism, pro-

1 liferation finance, serious tax fraud, or other
2 crimes.

3 (b) USING TECHNOLOGY TO AVOID DUPLICATIVE
4 LAYERS OF REPORTING OBLIGATIONS AND INCREASE AC-
5 CURACY OF BENEFICIAL OWNERSHIP INFORMATION.—

6 (1) IN GENERAL.—The Secretary, in consulta-
7 tion with the Attorney General, shall conduct a
8 study to evaluate—

9 (A) the effectiveness of using FinCEN
10 identifiers, as defined in section 5336 of title
11 31, United States Code, as added by section
12 5403(a) of this division, or other simplified re-
13 porting methods in order to facilitate a sim-
14 plified beneficial ownership regime for reporting
15 companies;

16 (B) whether a reporting regime whereby
17 only company shareholders are reported within
18 the ownership chain of a reporting company
19 could effectively track beneficial ownership in-
20 formation and increase information to law en-
21 forcement;

22 (C) the costs associated with imposing any
23 new verification requirements on FinCEN; and

24 (D) the resources necessary to implement
25 any such changes.

1 (2) FINDINGS.—The Secretary shall submit to
2 the relevant committees of jurisdiction—

3 (A) the findings of the study conducted
4 under paragraph (1); and

5 (B) recommendations for carrying out the
6 findings described in subparagraph (A).

7 (c) EXEMPT ENTITIES.—Not later than 2 years after
8 the effective date of regulations promulgated under section
9 5336(b)(5) of title 31, United States Code, as added by
10 section 5403(a) of this division, the Comptroller General
11 of the United States, in consultation with the Secretary,
12 Federal functional regulators, the Attorney General, the
13 Secretary of Homeland Security, and the intelligence com-
14 munity, shall conduct a study and submit to Congress a
15 report that—

16 (1) reviews the regulated status, related report-
17 ing requirements, quantity, and structure of each
18 class of corporations, limited liability companies, and
19 similar entities that have been explicitly excluded
20 from the definition of reporting company and the re-
21 quirement to report beneficial ownership information
22 under section 5336 of title 31, United States Code,
23 as added by section 5403(a) of this division;

24 (2) assesses the extent to which any excluded
25 entity or class of entities described in paragraph (1)

1 pose significant risks of money laundering, the fi-
2 nancing of terrorism, proliferation finance, serious
3 tax fraud, and other illicit activity; and

4 (3) identifies other policy areas related to the
5 risks of exempt entities described in paragraph (1)
6 for Congress to consider as Congress is conducting
7 oversight of the new beneficial ownership informa-
8 tion reporting requirements established by this divi-
9 sion and amendments made by this division.

10 (d) OTHER LEGAL ENTITIES STUDY.—Not later
11 than 2 years after the effective date of the regulations pro-
12 mulgated under section 5336(b)(5) of title 31, United
13 States Code, as added by section 5403(a) of this division,
14 the Comptroller General of the United States shall con-
15 duct a study and submit to Congress a report—

16 (1) identifying each State that has procedures
17 that enable persons to form or register under the
18 laws of the State partnerships, trusts, or other legal
19 entities, and the nature of those procedures;

20 (2) identifying each State that requires persons
21 seeking to form or register partnerships, trusts, or
22 other legal entities under the laws of the State to
23 provide beneficial owners (as defined in section
24 5336(a) of title 31, United States Code, as added by
25 section 5403 of this division) or beneficiaries of

1 those entities, and the nature of the required infor-
2 mation;

3 (3) evaluating whether the lack of available
4 beneficial ownership information for partnerships,
5 trusts, or other legal entities—

6 (A) raises concerns about the involvement
7 of those entities in terrorism, money laun-
8 dering, tax evasion, securities fraud, or other
9 misconduct; and

10 (B) has impeded investigations into enti-
11 ties suspected of the misconduct described in
12 subparagraph (A);

13 (4) evaluating whether the failure of the United
14 States to require beneficial ownership information
15 for partnerships and trusts formed or registered in
16 the United States has elicited international criticism;
17 and

18 (5) what steps, if any, the United States has
19 taken, is planning to take, or should take in re-
20 sponse to the criticism described in paragraph (4).

21 **SEC. 5503. GAO STUDY ON FEEDBACK LOOPS.**

22 (a) DEFINITION.—In this section, the term “feedback
23 loop” means feedback provided by the United States Gov-
24 ernment to relevant parties.

1 (b) STUDY.—The Comptroller General of the United
2 States shall conduct a study on—

3 (1) best practices within the United States Gov-
4 ernment for feedback loops, including regulated pri-
5 vate entities, on the usage and usefulness of person-
6 ally identifiable information, sensitive-but-unclassi-
7 fied data, or similar information provided by the
8 parties to United States Government users of the in-
9 formation and data, including law enforcement agen-
10 cies and regulators; and

11 (2) any practice or standard inside or outside
12 the United States for providing feedback through
13 sensitive information and public-private partnership
14 information sharing efforts, specifically related to ef-
15 forts to combat money laundering and other forms
16 of illicit finance.

17 (c) REPORT.—Not later than 18-months after the
18 date of enactment of this Act, the Comptroller General
19 of the United States shall submit to the Committee on
20 Banking, Housing, and Urban Affairs of the Senate and
21 the Committee on Financial Services of the House of Rep-
22 resentatives a report containing—

23 (1) all findings and determinations made in car-
24 rying out the study required under subsection (b);

1 (2) with respect to each of paragraphs (1) and
2 (2) of subsection (b), any best practice or significant
3 concern identified by the Comptroller General, and
4 the applicability to public-private partnerships and
5 feedback loops with respect to efforts by the United
6 States Government to combat money laundering and
7 other forms of illicit finance; and

8 (3) recommendations of the Comptroller Gen-
9 eral to reduce or eliminate any unnecessary collec-
10 tion by the United States Government of the infor-
11 mation described in subsection (b)(1).

12 **SEC. 5504. GAO STUDY ON FIGHTING ILLICIT NETWORKS**
13 **AND DETECTING HUMAN TRAFFICKING AND**
14 **DRUG TRAFFICKING.**

15 (a) FINDINGS.—Congress finds the following:

16 (1) According to the Drug Enforcement Admin-
17 istration 2018 National Drug Threat Assessment,
18 transnational criminal organizations are increasingly
19 using virtual currencies.

20 (2) In the 2015 National Money Laundering
21 Risk Assessment, the Department of the Treasury
22 has recognized, “The development of virtual cur-
23 rencies is an attempt to meet a legitimate market
24 demand. According to a Federal Reserve Bank of
25 Chicago economist, U.S. consumers want payment

1 options that are versatile and that provide imme-
2 diate finality. No U.S. payment method meets that
3 description, although cash may come closest. Virtual
4 currencies can mimic cash's immediate finality and
5 anonymity and are more versatile than cash for on-
6 line and cross-border transactions, making virtual
7 currencies vulnerable for illicit transactions.”.

8 (3) In the 2018 National Money Laundering
9 Risk Assessment, the Department of the Treasury
10 concluded, “To the extent that virtual currencies are
11 able to provide the same level of anonymity as phys-
12 ical cash, they create an even greater risk because
13 virtual currencies can be transmitted and used glob-
14 ally. In addition to providing another means to pay
15 for contraband or illicit services, virtual currencies
16 also are now being used in the layering stage of
17 money laundering to disguise the origin of illicit pro-
18 ceeds.”.

19 (4) Virtual currencies may be increasingly used,
20 facilitated by online marketplaces, to pay for goods
21 and services associated with human trafficking and
22 drug trafficking.

23 (5) Online marketplaces, including the dark
24 web, are becoming a prominent platform to buy, sell,

1 and advertise for illicit goods and services associated
2 with human trafficking and drug trafficking.

3 (6) According to the International Labour Or-
4 ganization, in 2016, 4,800,000 people in the world
5 were victims of forced sexual exploitation, and in
6 2014, the global profit from commercial sexual ex-
7 ploitation was \$99,000,000,000.

8 (7) In 2016, within the United States, the Cen-
9 ters for Disease Control and Prevention estimated
10 that there were 64,000 deaths related to drug over-
11 dose, and the most severe increase in drug overdoses
12 were those associated with synthetic opioids, includ-
13 ing fentanyl and fentanyl analogs, which amounted
14 to over 20,000 overdose deaths.

15 (8) According to 2018 National Money Laun-
16 dering Risk Assessment, an estimated
17 \$100,000,000,000 is generated annually from
18 United States drug trafficking sales.

19 (9) Illegal fentanyl in the United States origi-
20 nates primarily from China, and it is readily avail-
21 able to purchase through online marketplaces.

22 (b) DEFINITION OF HUMAN TRAFFICKING.—In this
23 section, the term “human trafficking” has the meaning
24 given the term “severe forms of trafficking in persons”

1 in section 103 of the Trafficking Victims Protection Act
2 of 2000 (22 U.S.C. 7102).

3 (c) GAO STUDY.—The Comptroller General of the
4 United States shall conduct a study on how a range of
5 payment systems and methods, including virtual cur-
6 rencies in online marketplaces, are used to facilitate
7 human trafficking and drug trafficking, which shall con-
8 sider—

9 (1) how online marketplaces, including the dark
10 web, may be used as platforms to buy, sell, or facili-
11 tate the financing of goods or services associated
12 with human trafficking or drug trafficking, specifi-
13 cally, opioids and synthetic opioids, including
14 fentanyl, fentanyl analogs, and any precursor chem-
15 ical associated with manufacturing fentanyl or
16 fentanyl analogs, destined for, originating from, or
17 within the United States;

18 (2) how financial payment methods, including
19 virtual currencies and peer-to-peer mobile payment
20 services, may be utilized by online marketplaces to
21 facilitate the buying, selling, or financing of goods
22 and services associated with human trafficking or
23 drug trafficking destined for, originating from, or
24 within the United States;

1 (3) how virtual currencies may be used to facili-
2 tate the buying, selling, or financing of goods and
3 services associated with human trafficking or drug
4 trafficking, destined for, originating from, or within
5 the United States, when an online platform is not
6 otherwise involved;

7 (4) how illicit funds that have been transmitted
8 online and through virtual currencies are repatriated
9 into the formal banking system of the United States
10 through money laundering or other means;

11 (5) the participants, including state and non-
12 state actors, throughout the entire supply chain that
13 may participate in or benefit from the buying, sell-
14 ing, or financing of goods and services associated
15 with human trafficking or drug trafficking, including
16 through online marketplaces or using virtual cur-
17 rencies, destined for, originating from, or within the
18 United States;

19 (6) Federal and State agency efforts to impede
20 the buying, selling, or financing of goods and serv-
21 ices associated with human trafficking or drug traf-
22 ficking destined for, originating from, or within the
23 United States, including efforts to prevent the pro-
24 ceeds from human trafficking or drug trafficking
25 from entering the United States banking system;

1 (7) how virtual currencies and their underlying
2 technologies can be used to detect and deter these
3 illicit activities; and

4 (8) to what extent immutability and traceability
5 of virtual currencies can contribute to the tracking
6 and prosecution of illicit funding.

7 (d) REPORT TO CONGRESS.—Not later than 1 year
8 after the date of enactment of this Act, the Comptroller
9 General of the United States shall submit to the Com-
10 mittee on Banking, Housing, and Urban Affairs of the
11 Senate and the Committee on Financial Services of the
12 House of Representatives a report—

13 (1) summarizing the results of the study re-
14 quired under subsection (c); and

15 (2) that contains any recommendations for leg-
16 islative or regulatory action that would improve the
17 efforts of Federal agencies to impede the use of vir-
18 tual currencies and online marketplaces in facili-
19 tating human trafficking and drug trafficking.

20 **SEC. 5505. TREASURY STUDY AND REPORT ON TRADE-**
21 **BASED MONEY LAUNDERING.**

22 (a) STUDY REQUIRED.—

23 (1) IN GENERAL.—The Secretary shall carry
24 out a study, in consultation with appropriate private
25 sector stakeholders, academic and other inter-

1 national trade experts, and Federal agencies, on
2 trade-based money laundering.

3 (2) CONTRACTING AUTHORITY.—The Secretary
4 may enter into a contract with a private third-party
5 entity to carry out the study required by paragraph
6 (1).

7 (b) REPORT REQUIRED.—

8 (1) IN GENERAL.—Not later than 1 year after
9 the date of the enactment of this Act, the Secretary
10 shall submit to Congress a report that includes—

11 (A) all findings and determinations made
12 in carrying out the study required by subsection
13 (a); and

14 (B) proposed strategies to combat trade-
15 based money laundering.

16 (2) CLASSIFIED ANNEX.—The report required
17 by paragraph (1)—

18 (A) shall be submitted in unclassified form;

19 and

20 (B) may include a classified annex.

21 **SEC. 5506. TREASURY STUDY AND STRATEGY ON MONEY**
22 **LAUNDERING BY THE PEOPLE'S REPUBLIC**
23 **OF CHINA.**

24 (a) STUDY.—The Secretary shall carry out a study,
25 which shall rely substantially on information obtained

1 through the trade-based money laundering analyses con-
2 ducted by the Comptroller General of the United States,
3 on—

4 (1) the extent and effect of illicit finance risk
5 relating to the Government of the People's Republic
6 of China and Chinese firms, including financial insti-
7 tutions;

8 (2) an assessment of the illicit finance risks
9 emanating from the People's Republic of China;

10 (3) those risks allowed, directly or indirectly, by
11 the Government of the People's Republic of China,
12 including those enabled by weak regulatory or ad-
13 ministrative controls of that government; and

14 (4) the ways in which the increasing amount of
15 global trade and investment by the Government of
16 the People's Republic of China and Chinese firms
17 exposes the international financial system to in-
18 creased risk relating to illicit finance.

19 (b) STRATEGY TO COUNTER CHINESE MONEY LAUN-
20 DERING.—Upon the completion of the study required
21 under subsection (a), the Secretary, in consultation with
22 such other Federal agencies as the Secretary determines
23 appropriate, shall develop a strategy to combat Chinese
24 money laundering activities.

1 (c) REPORT.—Not later than 1 year after the date
2 of enactment of this Act, the Secretary shall submit to
3 Congress a report containing—

4 (1) all findings and determinations made in car-
5 rying out the study required under subsection (a);
6 and

7 (2) the strategy developed under subsection (b).

8 **SEC. 5507. TREASURY AND JUSTICE STUDY ON THE EF-**
9 **FORTS OF AUTHORITARIAN REGIMES TO EX-**
10 **PLOIT THE FINANCIAL SYSTEM OF THE**
11 **UNITED STATES.**

12 (a) IN GENERAL.—Not later than 1 year after the
13 date of enactment of this Act, the Secretary and the Attor-
14 ney General, in consultation with the heads of other rel-
15 evant national security, intelligence, and law enforcement
16 agencies, shall conduct a study and submit to Congress
17 a report that considers how authoritarian regimes in for-
18 eign countries and their proxies use the financial system
19 of the United States to—

20 (1) conduct political influence operations;

21 (2) sustain kleptocratic methods of maintaining
22 power;

23 (3) export corruption;

1 (4) fund nongovernmental organizations, media
2 organizations, or academic initiatives in the United
3 States to advance the interests of those regimes; and

4 (5) otherwise undermine democratic governance
5 in the United States and the partners and allies of
6 the United States.

7 (b) REPORT.—Not later than 2 years after the date
8 of enactment of this Act, the Secretary shall submit to
9 the Committee on Banking, Housing, and Urban Affairs
10 of the Senate and the Committee on Financial Services
11 of the House of Representatives a report that contains—

12 (1) the results of the study required under sub-
13 section (a); and

14 (2) any recommendations for legislative or regu-
15 latory action, or steps to be taken by United States
16 financial institutions, that would address exploitation
17 of the financial system of the United States by for-
18 eign authoritarian regimes.

19 **SEC. 5508. AUTHORIZATION OF APPROPRIATIONS.**

20 (a) IN GENERAL.—Subsection (l) of section 310, of
21 title 31, United States Code, as redesignated by section
22 5103(1) of this division, is amended by striking paragraph
23 (1) and inserting the following:

1 “(1) IN GENERAL.—There are authorized to be
2 appropriated to FinCEN to carry out this section, to
3 remain available until expended—

4 “(A) \$126,000,000 for fiscal year 2020;

5 “(B) \$50,000,000 for fiscal year 2021; and

6 “(C) \$25,000,000 for each of fiscal years
7 2022 through 2025.”.

8 (b) BENEFICIAL OWNERSHIP INFORMATION REPORT-
9 ING REQUIREMENTS.—Section 5336 of title 31, United
10 States Code, as added by section 5403(a) of this division,
11 is amended by adding at the end the following:

12 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated to FinCEN for each of
14 the 3 fiscal years beginning on the effective date of the
15 regulations promulgated under subsection (b)(5), such
16 sums as may be necessary to carry out this section, includ-
17 ing allocating funds to the States to pay reasonable costs
18 relating to compliance with the requirements of such sec-
19 tion.”.