To update dollar amount thresholds for certain currency transaction reports and suspicious activity reports, to improve information sharing between financial institutions with respect to terrorism, money laundering, and other unlawful activities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. Pearce (for himself and Mr. Luetkemeyer) introduced the following bill; which was referred to the Committee on

A BILL

To update dollar amount thresholds for certain currency transaction reports and suspicious activity reports, to improve information sharing between financial institutions with respect to terrorism, money laundering, and other unlawful activities, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Counter Terrorism and Illicit Finance Act”. 
SEC. 2. UPDATING THRESHOLDS FOR CERTAIN CURRENCY TRANSACTION REPORTS AND SUSPICIOUS ACTIVITY REPORTS.

(a) Thresholds for Certain Currency Transaction Reports.—

(1) In General.—Not later than the end of the 180-day period beginning on the date of the enactment of this Act, the Secretary of the Treasury shall revise regulations issued with respect to section 5313 of title 31, United States Code, to update each $10,000 threshold amount in such regulations to $30,000.

(2) Threshold for reports relating to coins and currency received in nonfinancial trade or business.—Section 5331 of title 31, United States Code, is amended by striking “$10,000” each place such term appears in heading or text and inserting “$30,000”.

(b) Thresholds for Suspicious Activity Reports.—Not later than the end of the 180-day period beginning on the date of the enactment of this Act, each Federal department or agency that issues regulations with respect to reports on suspicious transactions described under section 5318(g) of title 31, United States Code, shall update each $5,000 threshold amount in such regulations to $10,000.
SEC. 3. STREAMLINING REQUIREMENTS FOR CURRENCY TRANSACTION REPORTS AND SUSPICIOUS ACTIVITY REPORTS.

(a) Review.—The Secretary of the Treasury shall undertake a formal review of the current financial institution reporting requirements under the Bank Secrecy Act and its implementing regulations and propose changes to further reduce reporting burdens and ensure that the information provided is of a “high degree of usefulness” to law enforcement, as set forth under section 5311 of title 31, United States Code.

(b) Contents.—The review required under subsection (a) shall include a study of—

(1) whether the timeframe for filing a suspicious activity report should be increased from 30 days;

(2) the feasibility of utilizing one form to capture both currency transaction report and suspicious activity report information instead of two separate forms;

(3) whether or not currency transaction report and suspicious activity report thresholds should be tied to inflation;

(4) whether the circumstances under which a financial institution determines whether to file a “continuing suspicious activity report”, or the processes
followed by a financial institution in determining whether to file a “continuing suspicious activity report” (or both) can be narrowed;

(5) analyzing the fields designated as “critical” on the suspicious activity report form and whether the number of fields should be reduced;

(6) the categories, types, and characteristics of suspicious activity reports and currency transaction reports that are of the greatest value to, and that best support, investigative priorities of law enforcement and national security personnel;

(7) the increased use of exemption provisions to reduce currency transaction reports that are of little or no value to law enforcement efforts; and

(8) such other items as the Secretary determines appropriate.

(c) REPORT.—Not later than the end of the one year period beginning on the date of the enactment of this Act, the Secretary of the Treasury, in coordination with law enforcement and persons subject to Bank Secrecy Act requirements, shall issue a report to the Congress containing all findings and determinations made in carrying out the review required under subsection (a).

(d) BANK SECRECY ACT DEFINED.—For purposes of this section, the term “Bank Secrecy Act” means—
(1) section 21 of the Federal Deposit Insurance Act;

(2) chapter 2 of title I of Public Law 91-508;

and

(3) subchapter II of chapter 53 of title 31, United States Code.

SEC. 4. INFORMATION SHARING.

(a) In general.—Section 314 of the USA PATRIOT Act (31 U.S.C. 5311 note) is amended—

(1) in subsection (b)—

(A) by striking “terrorist or money laundering activities” and inserting “terrorist activities, money laundering activities, or a specified unlawful activity (as defined under section 1956(c)(7) of title 18, United States Code)”;

and

(B) by striking “activities that may involve terrorist acts or money laundering activities” and inserting “activities that may involve terrorist acts, money laundering activities, or a specified unlawful activity”; and

(2) in subsection (c), by inserting “or a specified unlawful activity (as defined under section 1956(c)(7) of title 18, United States Code)” after “terrorist acts or money laundering activities”.

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(b) Disclosure Liability.—Section 5318(g)(3)(B) of title 31, United States Code, is amended—

(1) in clause (i), by striking “or” at the end;

(2) in clause (ii), by striking the period and inserting “; or”; and

(3) by adding at the end the following:

“(iii) any duty or requirement of a financial institution or any director, officer, employee, or agent of such institution to demonstrate to any person, as used in such subparagraph, that a disclosure referenced in such subparagraph is made in good faith.”.

(c) Sharing of Suspicious Activity Reports Within a Financial Group.—

(1) Sharing with Foreign Branches and Affiliates.—Section 5318(g) of title 31, United States Code, is amended by adding at the end the following:

“(5) Sharing with Foreign Branches and Affiliates.—

“(A) In General.—Not later than 180 days after the date of the enactment of this paragraph, the Secretary of the Treasury shall issue rules permitting a financial institution to
share reports under this subsection with the institution’s foreign branches and affiliates for the purposes of combating illicit finance risks, notwithstanding any other provision of law except subparagraph (B).

“(B) EXCEPTION.—In issuing the regulations required under subparagraph (A), the Secretary may not permit a financial institution to share information on reports under this subsection with a foreign branch or affiliate located in a jurisdiction that—

“(i) is subject to countermeasures imposed by the Federal Government; or

“(ii) the Secretary has determined cannot reasonably protect the privacy of such information”.

(2) NOTIFICATION PROHIBITIONS.—Section 5318(g)(2)(A) of title 31, United States Code, is amended—

(A) in clause (i), by inserting after “transaction has been reported” the following: “or otherwise reveal any information that would reveal that the transaction has been reported, including materials prepared or used by the financial institution for the purpose of identifying
and detecting potentially suspicious activity’’;
and

(B) in clause (ii), by inserting after ‘‘transaction has been reported,’’ the following: ‘‘or
otherwise reveal any information that would reveal that the transaction has been reported,
including materials prepared or used by the financial institution for the purpose of identifying
and detecting potentially suspicious activity.’’.

(d) RULEMAKING.—Not later than the end of the
180-day period beginning on the date of enactment of this
Act, the Secretary of the Treasury shall issue regulations
to carry out the amendments made by this section.

SEC. 5. FINCEN NO-ACTION LETTERS.

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

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the follow-

‘‘(d) NO-ACTION LETTERS WITH RESPECT TO SPE-
CIFIC CONDUCT.—

‘‘(1) IN GENERAL.—The Director of FinCEN
shall issue regulations to establish a process for the
issuance of a no-action letter by FinCEN in re-
response to an inquiry from a person concerning the application of the Bank Secrecy Act, the USA PATRIOT Act, or any other anti-money laundering and counter terrorist financing law or regulation to specific conduct, which shall include a statement as to whether or not FinCEN has any intention of taking an enforcement action against the person with respect to such conduct.

“(2) CONSULTATION.—In issuing the regulations described under paragraph (1), the Secretary shall consult with the appropriate Federal banking agencies and such other Federal departments and agencies as the Secretary determines appropriate.

“(3) RELIANCE ON NO-ACTION LETTER.—

“(A) LIABILITY.—Notwithstanding any other provisions of law, except for paragraph (5)(B), a person described under subparagraph (B) who relies upon a no-action letter issued under this subsection in accordance with the provisions and findings of such letter shall not, as a result of any such act, be liable to any person under the Bank Secrecy Act, the USA PATRIOT Act, or any other anti-money laundering and counter terrorist financing law or regulation.
“(B) PERSONS COVERED.—A person described in this paragraph is—

“(i) any person involved in the specific conduct that is the subject of the no-action letter; and

“(ii) any person involved in conduct which is indistinguishable in all its material aspects from the specific conduct that is the subject of the no-action letter.

“(4) FEES.—

“(A) IN GENERAL.—The Director of FinCEN shall develop a system to charge a fee for each request for a no-action letter made under this subsection in an amount sufficient, in the aggregate, to pay for the cost of carrying out this subsection. Such system shall provide for a lower fee for small business concerns compared to other persons.

“(B) NOTICE AND COMMENT.—Not later than 45 days after the date of the enactment of this paragraph, the Director of FinCEN shall publish a description of the fee system described in subparagraph (A) in the Federal Register and shall solicit comments from the public for a period of 60 days after publication.
“(C) **FINALIZATION.**—The Director of FinCEN shall publish a final description of the fee system and implement such fee system not later than 30 days after the end of the public comment period described in subparagraph (B).

“(5) **MODIFYING OR RESCINDING A NO-ACTION LETTER.**—

“(A) **IN GENERAL.**—The Director of FinCEN may modify or rescind any no-action letter issued under this subsection if—

“(i) in light of changes in statute or regulations, the letter no longer sets forth the interpretation of FinCEN with respect to the content of the letter; or

“(ii) any fact or statement submitted in the original inquiry is found to be materially inaccurate or incomplete.

“(B) **NO RELIANCE ON RESCINDED LETTER.**—Paragraph (3) shall not apply to any actions taken after the date that a no-action letter is rescinded.

“(C) **RETROACTIVE MODIFICATION OR RESCISSION.**—A no-action letter may be modified or rescinded retroactively with respect to one or
more parties to the original inquiry if the Director of FinCEN determines that—

“(i) a fact or statement in the original inquiry was materially inaccurate or incomplete;

“(ii) the requestor failed to notify in writing FinCEN of a material change to any fact or statement in the original request; or

“(iii) a party to the original inquiry acted in bad faith when relying upon the no-action letter.

“(6) DEFINITIONS.—For purposes of this subsection:

“(A) APPROPRIATE FEDERAL BANKING AGENCY.—The term ‘appropriate Federal banking agency’ has the meaning given that term under section 3 of the Federal Deposit Insurance Act.

“(B) BANK SECRECY ACT.—The term ‘Bank Secrecy Act’ means—

“(i) section 21 of the Federal Deposit Insurance Act;

“(ii) chapter 2 of title I of Public Law 91-508; and
“(iii) subchapter II of chapter 53 of this title.

“(C) SMALL BUSINESS CONCERN.—The term ‘small business concern’ has the meaning given under section 3 of the Small Business Act.”.

SEC. 6. REQUIRING TREASURY TO TAKE A MORE PROMINENT ROLE IN COORDINATING AML/CFT POLICY AND EXAMINATIONS ACROSS THE GOVERNMENT.

(a) PRIORITIES.—Not later than nine months after the date of the enactment of this Act, and annually thereafter, the Secretary of the Treasury, acting through the Office of Terrorism and Financial Intelligence and the Financial Crimes Enforcement Network, in consultation with relevant Federal law enforcement and national security agencies and any other Federal departments and agencies that the Secretary of the Treasury determines appropriate, shall establish and make public its priorities for U.S. anti-money laundering and counter terrorist financing policy.

(b) SUPERVISION AND EXAMINATION.—The incorporation by financial institutions of the priorities established pursuant to subsection (a) into the programs established by those financial institutions to meet obligations under
the Bank Secrecy Act, the USA PATRIOT Act, and other anti-money laundering and counter terrorist financing laws and regulations shall form the basis on which the financial institutions are supervised and examined for compliance with those obligations.

(c) REPORT.—Not later than nine months after the date of enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report containing—

(1) an analysis of the Secretary of the Treasury’s delegation of examination authority under the Bank Secrecy Act, which shall include a determination as to whether the Secretary should de-delegate its authority for financial institutions that submit a significant percentage of reports under the Bank Secrecy Act or raise complex cross-border U.S. anti-money laundering and counter terrorist financing policy issues for which such a review would be beneficial; and

(2) legislative, administrative, and other recommendations to strengthen the Department of the Treasury’s authority to ensure an effective U.S.
anti-money laundering and counter terrorist financing regime.

(d) DEFINITIONS.—For purposes of this section:

(1) FINANCIAL INSTITUTION.—The term “financial institution” has the meaning given that term under section 5312 of title 31, United States Code.

(2) BANK SECRECY ACT.—The term “Bank Secrecy Act” means—

(A) section 21 of the Federal Deposit Insurance Act;

(B) chapter 2 of title I of Public Law 91-508; and

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

SEC. 7. ENCOURAGING THE USE OF TECHNOLOGICAL INNOVATIONS.

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

“(4) ENCOURAGING THE USE OF TECHNOLOGICAL INNOVATIONS.—

“(A) IN GENERAL.—The Secretary of the Treasury shall, in carrying out this subsection, encourage the use of technological innovations that improve anti-money laundering programs described under paragraph (1).
“(B) SAFE HARBOR.—An anti-money laun-
dering program that meets the minimum re-
quirements described under paragraph (1) and
any minimum standards issued pursuant to
paragraph (2), shall not violate the require-
ments of this subsection by reason of any tech-
nological innovation used to carry out such pro-
gram.”.

SEC. 8. ASSESSING THE USEFULNESS OF BANK SECRECY

ACT REPORTING.

(a) ANNUAL REPORT.—Not later than one year after
the date of enactment of this Act, and annually thereafter,
the Attorney General, in coordination with Federal law en-
forcement agencies and national security agencies, shall
provide the Secretary of the Treasury with statistics,
metrics, and other information on the use of Bank Secrecy
Act data.

(b) USE OF REPORT INFORMATION.—The Secretary
of the Treasury shall utilize the information reported
under subsection (a)—

(1) to help assess the usefulness of Bank Secre-
cy Act reporting to law enforcement;

(2) to enhance feedback and communications
with financial institutions and other entities subject
to Bank Secrecy Act requirements; and
(3) for such other purposes as the Secretary determines appropriate.

(c) DEFINITIONS.—For purposes of this section, the terms “financial institution” and “Bank Secrecy Act” have the meaning given those terms, respectively, under section 6(d).

SEC. 9. TRANSPARENT INCORPORATION PRACTICES.

(a) IN GENERAL.—

(1) AMENDMENT TO THE BANK SECRECY ACT.—Chapter 53 of title 31, United States Code, is amended by inserting after section 5332 the following new section:

“§ 5333. Transparent incorporation practices

“(a) REPORTING REQUIREMENTS.—

“(1) BENEFICIAL OWNERSHIP REPORTING.—

“(A) IN GENERAL.—Each applicant to form a corporation or limited liability company formed under the laws of a State shall file a report with FinCEN containing a list of the beneficial owners of the corporation or limited liability company that—

“(i) except as provided in paragraph (3), and subject to paragraph (2), identifies each beneficial owner by—

“(I) name;
“(II) current residential or business street address; and

“(III) a unique identifying number from a non-expired passport issued by the United States or a non-expired driver’s license issued by a State; and

“(ii) if the applicant is not a beneficial owner, provides the identification information described in clause (i) relating to such applicant.

“(B) UPDATED INFORMATION.—Each corporation or limited liability company formed under the laws of a State shall—

“(i) update the list of the beneficial owners of the corporation or limited liability company by providing the information described in subparagraph (A) to FinCEN not later than 60 days after the date of any change in the list of beneficial owners or the information required to be provided relating to each beneficial owner; and

“(ii) submit to FinCEN an annual filing containing the list of the beneficial owners of the corporation or limited liabil-
ity company and the information described in subparagraph (A) for each such beneficial owner.

“(2) CERTAIN BENEFICIAL OWNERS.—If an applicant to form a corporation or limited liability company or a beneficial owner, officer, director, or similar agent of a corporation or limited liability company who is required to provide identification information under this subsection does not have a non-expired passport issued by the United States or a non-expired driver’s license or identification card issued by a State, each application described in paragraph (1)(A) and each update described in paragraph (1)(B) shall include a certification by an applicant residing in the State that the applicant—

“(A) has obtained for each such person a current residential or business street address and a legible and credible copy of the pages of a non-expired passport issued by the government of a foreign country bearing a photograph, date of birth, and unique identifying information for the person;

“(B) has verified the name, address, and identity of each such person;
“(C) will provide the information described in subparagraph (A) and the proof of verification described in subparagraph (B) upon request of FinCEN; and

“(D) will retain the information and proof of verification under this paragraph in the State in which the corporation or limited liability company is being or has been formed until the end of the 5-year period beginning on the date that the corporation or limited liability company terminates under the laws of the State.

“(3) EXEMPT ENTITIES.—

“(A) IN GENERAL.—With respect to an applicant to form a corporation or limited liability company formed under the laws of a State, if such applicant is described in subparagraph (C) or (D) of subsection (d)(2) and will be exempt from the beneficial ownership disclosure requirements under this subsection, such applicant, or a prospective officer, director, or similar agent of the applicant, shall file a certification with FinCEN—

“(i) identifying the specific provision of subsection (d)(2) under which the entity
proposed to be formed would be exempt from the beneficial ownership disclosure requirements under paragraphs (1) and (2);

“(ii) stating that the entity proposed to be formed meets the requirements for an entity described under such provision of subsection (d)(2); and

“(iii) providing identification information for the applicant or prospective officer, director, or similar agent making the certification in the same manner as provided under paragraph (1) or (2).

“(B) EXISTING CORPORATIONS OR LIMITED LIABILITY COMPANIES.—On and after the date that is 2 years after the final regulations are issued to carry out this section, a corporation or limited liability company formed under the laws of the State before such date shall be subject to the requirements of this subsection unless an officer, director, or similar agent of the entity submits to FinCEN a certification—

“(i) identifying the specific provision of subsection (d)(2) under which the entity is exempt from the requirements under paragraphs (1) and (2);
“(ii) stating that the entity meets the requirements for an entity described under such provision of subsection (d)(2); and

“(iii) providing identification information for the officer, director, or similar agent making the certification in the same manner as provided under paragraph (1) or (2).

“(C) EXEMPT ENTITIES HAVING OWNERSHIP INTEREST.—If an entity described in subparagraph (C) or (D) of subsection (d)(2) has or will have an ownership interest in a corporation or limited liability company formed or to be formed under the laws of a State, the applicant, corporation, or limited liability company in which the entity has or will have the ownership interest shall provide the information required under this subsection relating to the entity, except that the entity shall not be required to provide information regarding any natural person who has an ownership interest in, exercises substantial control over, or receives substantial economic benefits from the entity.

“(4) RETENTION AND DISCLOSURE OF BENEFICIAL OWNERSHIP INFORMATION BY FINCEN.—
“(A) Retention of Information.—Beneficial ownership information relating to each corporation or limited liability company formed under the laws of the State shall be maintained by the FinCEN until the end of the 5-year period beginning on the date that the corporation or limited liability company terminates.

“(B) Disclosure of Information.—Beneficial ownership information reported to FinCEN pursuant to paragraph (1) shall be provided by FinCEN upon receipt of—

“(i) a criminal subpoena from a Federal agency;

“(ii) a request made by a Federal agency on behalf of a law enforcement agency of another country under an international treaty, agreement, or convention, or an order under section 3512 of title 18, United States Code, or section 1782 of title 28, United States Code, issued in response to a request for assistance in a terrorism or criminal investigation by such foreign country, subject to the requirement that such other country agrees to prevent the public disclosure of such beneficial
ownership information or to use it for any purpose other than the specified terrorism or criminal investigation; or

“(iii) a request made by a financial institution, with customer consent, as part of the institution’s compliance with due diligence requirements imposed under the Bank Secrecy Act, the USA PATRIOT Act, or other applicable Federal or State law.

“(b) No Bearer Share Corporations or Limited Liability Companies.—A corporation or limited liability company formed under the laws of the State may not issue a certificate in bearer form evidencing either a whole or fractional interest in the corporation or limited liability company.

“(c) Penalties.—

“(1) In General.—It shall be unlawful for—

“(A) any person to affect interstate or foreign commerce by—

“(i) knowingly providing, or attempting to provide, false or fraudulent beneficial ownership information, including a false or fraudulent identifying photograph, to FinCEN in accordance with this section;
“(ii) willfully failing to provide complete or updated beneficial ownership information to FinCEN in accordance with this section; or

“(iii) knowingly disclosing the existence of a subpoena, summons, or other request for beneficial ownership information reported pursuant to this section, except—

“(I) to the extent necessary to fulfill the authorized request; or

“(II) as authorized by the entity that issued the subpoena, summons, or other request.

“(2) CIVIL AND CRIMINAL PENALTIES.—Any person who violates paragraph (1)—

“(A) shall be liable to the United States for a civil penalty of not more than $10,000; and

“(B) may be fined under title 18, United States Code, imprisoned for not more than 3 years, or both.

“(d) DEFINITIONS.—For the purposes of this section:

“(1) BENEFICIAL OWNER.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the term ‘beneficial owner’
means a natural person who, directly or indi-
rectly, through any contract, arrangement, un-
derstanding, relationship, or otherwise—

"(i) exercises substantial control over
a corporation or limited liability company;
or

"(ii) owns 25 percent or more of the
equity interests of a corporation or limited
liability company or receives substantial
economic benefits from the assets of a cor-
poration or limited liability company.

"(B) EXCEPTIONS.—The term ‘beneficial
owner’ shall not include—

"(i) a minor child;

"(ii) a person acting as a nominee,
intermediary, custodian, or agent on behalf
of another person;

"(iii) a person acting solely as an em-
ployee of a corporation or limited liability
compmany and whose control over or eco-
nomic benefits from the corporation or lim-
ited liability company derives solely from
the employment status of the person;
“(iv) a person whose only interest in a corporation or limited liability company is through a right of inheritance; or

“(v) a creditor of a corporation or limited liability company.

“(C) SUBSTANTIAL ECONOMIC BENEFITS DEFINED.—For purposes of subparagraph (A)(ii), a natural person receives substantial economic benefits from the assets of a corporation or limited liability company if the person has an entitlement to the funds or assets of the corporation or limited liability company that, as a practical matter, enables the person, directly or indirectly, to control, manage, or direct the corporation or limited liability company.

“(2) CORPORATION; LIMITED LIABILITY COMPANY.—The terms ‘corporation’ and ‘limited liability company’—

“(A) have the meanings given such terms under the laws of the applicable State;

“(B) include any non-United States entity eligible for registration or registered to do business as a corporation or limited liability company under the laws of the applicable State;
“(C) do not include any entity that is, and
discloses in the application by the entity to
form under the laws of the State or, if the enti-
ty was formed before the date of the enactment
of this section, in a filing with the State under
State law—

“(i) a business concern that is an
issuer of a class of securities registered
under section 12 of the Securities Ex-
change Act of 1934 (15 U.S.C. 781) or
that is required to file reports under sec-
tion 15(d) of that Act (15 U.S.C. 78o(d));

“(ii) a business concern constituted or
sponsored by a State, a political subdivi-
sion of a State, under an interstate com-
pact between two or more States, by a de-
partment or agency of the United States,
or under the laws of the United States;

“(iii) a depository institution (as de-
defined in section 3 of the Federal Deposit
Insurance Act (12 U.S.C. 1813));

“(iv) a credit union (as defined in sec-
tion 101 of the Federal Credit Union Act
(12 U.S.C. 1752));
“(v) a bank holding company (as defined in section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841));
“(vii) an exchange or clearing agency (as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c)) that is registered under section 6 or 17A of the Securities Exchange Act of 1934 (15 U.S.C. 78f and 78q–1);
“(viii) an investment company (as defined in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a–3)) or an investment adviser (as defined in section 202(11) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(11))), if the company or adviser is registered with the Securities and Exchange Commission, or has filed an application for registration which has not been denied, under the Investment Company Act of 1940 (15 U.S.C.
80a–1 et seq.) or the Investment Adviser Act of 1940 (15 U.S.C. 80b–1 et seq.);

“(ix) an insurance company (as defined in section 2 of the Investment Company Act of 1940 (15 U.S.C. 80a–2));

“(x) a registered entity (as defined in section 1a of the Commodity Exchange Act (7 U.S.C. 1a)), or a futures commission merchant, introducing broker, commodity pool operator, or commodity trading advisor (as defined in section 1a of the Commodity Exchange Act (7 U.S.C. 1a)) that is registered with the Commodity Futures Trading Commission;

“(xi) a public accounting firm registered in accordance with section 102 of the Sarbanes-Oxley Act (15 U.S.C. 7212);

“(xii) a public utility that provides telecommunications service, electrical power, natural gas, or water and sewer services, within the United States;

“(xiii) a church, charity, or nonprofit entity that is described in section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code of 1986, that has not been denied tax
exempt status, and that has filed the most
recently due annual information return
with the Internal Revenue Service, if re-
quired to file such a return;

“(xiv) any business concern that—

“(I) employs more than 20 em-
ployees on a full-time basis in the
United States;

“(II) files income tax returns in
the United States demonstrating more
than $5,000,000 in gross receipts or
sales; and

“(III) has an operating presence
at a physical office within the United
States; or

“(xv) any corporation or limited liabil-
ity company formed and owned by an enti-
ty described in clause (i), (ii), (iii), (iv),
(v), (vi), (vii), (viii), (ix), (x), (xi), (xii),
(xiii), or (xiv); and

“(D) do not include any individual busi-
ness concern or class of business concerns
which the Secretary of the Treasury, with the
written concurrence of the Attorney General of
the United States, has determined in writing
should be exempt from the requirements of sub-
section (a), because requiring beneficial owner-
ship information from the business concern
would not serve the public interest and would
not assist law enforcement efforts to detect,
prevent, or punish terrorism, money laundering,
tax evasion, or other misconduct.

“(3) BANK SECRECY ACT.—The term ‘Bank Se-
crecy Act’ means—

“(A) section 21 of the Federal Deposit In-
surance Act;

“(B) chapter 2 of title I of Public Law 91–
508; and

“(C) this subchapter.

“(4) FINCEN.—The term ‘FinCEN’ means the
Financial Crimes Enforcement Network of the De-
partment of the Treasury.”.

(2) RULEMAKING.—Not later than the begin-
ning of fiscal year 2019, the Secretary of the Treas-
ury shall issue regulations to carry out this Act and
the amendments made by this Act.

(3) REVISION TO EXISTING RULE.—

(A) IN GENERAL.—The Secretary of the
Treasury shall, simultaneously with issuing the
regulations described under paragraph (2), re-
vise the final rule titled “Customer Due Diligence Requirements for Financial Institutions” (May 11, 2016; 81 Fed. Reg. 29397) as necessary to conform with this Act, the amendments made by this Act, and the regulations issued under paragraph (2).

(B) SUSPENSION OF RULE UNTIL REVISION.—The final rule described under subparagraph (A) shall have no force or effect until the rule is revised, as required under subparagraph (A).

(4) CONFORMING AMENDMENTS.—Title 31, United States Code, is amended—

(A) in section 5321(a)—

(i) in paragraph (1), by striking “sections 5314 and 5315” each place it appears and inserting “sections 5314, 5315, and 5333”; and

(ii) in paragraph (6), by inserting “(except section 5333)” after “subchapter” each place it appears; and

(B) in section 5322, by striking “section 5315 or 5324” each place it appears and inserting “section 5315, 5324, or 5333”.

(5) **TABLE OF CONTENTS.**—The table of contents of chapter 53 of title 31, United States Code, is amended by inserting after the item relating to section 5332 the following:

“Sec. 5333. Transparent incorporation practices.”.

(b) **FUNDING AUTHORIZATION.**—

(1) **IN GENERAL.**—To carry out section 5333 of title 31, United States Code, as added by subsection (a), during the 3-year period beginning on the date of enactment of this Act, funds shall be made available to the Financial Crimes Enforcement Network (in this subsection referred to as “FinCEN”) to pay reasonable costs relating to compliance with the requirements of such section.

(2) **FUNDING SOURCES.**—Funds shall be provided to FinCEN to carry out the purposes described in paragraph (1) from one or more of the following sources:

(A) Upon application by FinCEN, and without further appropriation, the Secretary of the Treasury shall make available to the FinCEN unobligated balances described in section 9703(g)(4)(B) of title 31, United States Code, in the Department of the Treasury Forfeiture Fund established under section 9703(a) of title 31, United States Code.
(B) Upon application by FinCEN, after consultation with the Secretary of the Treasury, and without further appropriation, the Attorney General of the United States shall make available to FinCEN excess unobligated balances (as defined in section 524(c)(8)(D) of title 28, United States Code) in the Department of Justice Assets Forfeiture Fund established under section 524(c) of title 28, United States Code.

(3) MAXIMUM AMOUNTS.—

(A) DEPARTMENT OF THE TREASURY.—The Secretary of the Treasury may not make available to FinCEN a total of more than $30,000,000 under paragraph (2)(A).

(B) DEPARTMENT OF JUSTICE.—The Attorney General of the United States may not make available to FinCEN a total of more than $10,000,000 under paragraph (2)(B).

(c) FEDERAL CONTRACTORS.—Not later than the first day of the first full fiscal year beginning at least one year after the date of the enactment of this Act, the Administrator for Federal Procurement Policy shall revise the Federal Acquisition Regulation maintained under section 1303(a)(1) of title 41, United States Code, to require any contractor who is subject to the requirement to dis-
close beneficial ownership information under section 5333 of title 31, United States Code, to provide the information required to be disclosed under such section to the Federal Government as part of any bid or proposal for a contract with a value threshold in excess of the simplified acquisition threshold under section 134 of title 41, United States Code.

SEC. 10. STUDIES AND REPORTS.

(a) OTHER LEGAL ENTITIES.—Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall conduct a study and submit to the Congress a report—

(1) evaluating whether the lack of available beneficial ownership information for partnerships, trusts, or other legal entities—

(A) raises concerns about the involvement of such entities in terrorism, money laundering, tax evasion, securities fraud, or other misconduct; and

(B) has impeded investigations into entities suspected of such misconduct; and

(2) evaluating whether the failure of the United States to require beneficial ownership information for partnerships and trusts formed or registered in the United States has elicited international criticism
and what steps, if any, the United States has taken 
or is planning to take in response.

(b) Effectiveness of Incorporation Practices.—Not later than 5 years after the date of enactment of this Act, the Comptroller General of the United States shall conduct a study and submit to the Congress a report assessing the effectiveness of incorporation practices implemented under this Act and the amendments made by this Act in—

(1) providing law enforcement agencies with prompt access to reliable, useful, and complete beneficial ownership information; and

(2) strengthening the capability of law enforcement agencies to combat incorporation abuses, civil and criminal misconduct, and detect, prevent, or punish terrorism, money laundering, tax evasion, or other misconduct.

(c) Comprehensive Cost-Benefit Analysis.—Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall conduct a study and submit to the Congress a report—

(1) providing a comprehensive quantitative and qualitative estimate of the annualized costs to the private sector to comply with the statutory and regulatory requirements of the Bank Secrecy Act (as de-
fined under section 6(d)) and related anti-money laundering laws and regulations;

(2) providing a comprehensive qualitative and quantitative analysis of the effectiveness of the current anti-money laundering and counter terrorist financing framework in preventing, detecting, and prosecuting terrorist and illicit financing; and

(3) providing a comprehensive qualitative and quantitative analysis of the benefits to both the private sector and the Government of the private sector’s compliance with the statutory and regulatory requirements of the Bank Secrecy Act and related anti-money laundering laws and regulations.