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(Original Signature of Member)

116TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To ensure that persons who form corporations or limited liability companies in the United States disclose the beneficial owners of those corporations or limited liability companies, in order to prevent wrongdoers from exploiting United States corporations and limited liability companies for criminal gain, to assist law enforcement in detecting, preventing, and punishing terrorism, money laundering, and other misconduct involving United States corporations and limited liability companies, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mrs. CAROLYN B. MALONEY of New York introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

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1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Corporate Trans-  
5 parency Act of 2019”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) Nearly 2,000,000 corporations and limited  
9 liability companies are being formed under the laws  
10 of the States each year.

11 (2) Very few States obtain meaningful informa-  
12 tion about the beneficial owners of the corporations  
13 and limited liability companies formed under their  
14 laws.

15 (3) A person forming a corporation or limited  
16 liability company within the United States typically  
17 provides less information to the State of incorpora-  
18 tion than is needed to obtain a bank account or driv-  
19 er’s license and typically does not name a single ben-  
20 efiticial owner.

21 (4) Criminals have exploited the weaknesses in  
22 State formation procedures to conceal their identi-  
23 ties when forming corporations or limited liability  
24 companies in the United States, and have then used  
25 the newly created entities to commit crimes affecting

1 interstate and international commerce such as ter-  
2 rorism, drug trafficking, money laundering, tax eva-  
3 sion, securities fraud, financial fraud, and acts of  
4 foreign corruption.

5 (5) Law enforcement efforts to investigate cor-  
6 porations and limited liability companies suspected  
7 of committing crimes have been impeded by the lack  
8 of available beneficial ownership information, as doc-  
9 umented in reports and testimony by officials from  
10 the Department of Justice, the Department of  
11 Homeland Security, the Financial Crimes Enforce-  
12 ment Network of the Department of the Treasury,  
13 the Internal Revenue Service, and the Government  
14 Accountability Office, and others.

15 (6) In July 2006, a leading international  
16 antimoney laundering organization, the Financial  
17 Action Task Force on Money Laundering (in this  
18 section referred to as the “FATF”), of which the  
19 United States is a member, issued a report that  
20 criticizes the United States for failing to comply  
21 with a FATF standard on the need to collect bene-  
22 ficial ownership information and urged the United  
23 States to correct this deficiency by July 2008. In  
24 December 2016, FATF issued another evaluation of  
25 the United States, which found that little progress

1 has been made over the last ten years to address  
2 this problem. It identified the “lack of timely access  
3 to adequate, accurate and current beneficial owner-  
4 ship information” as a fundamental gap in United  
5 States efforts to combat money laundering and ter-  
6 rorist finance.

7 (7) In response to the 2006 FATF report, the  
8 United States has repeatedly urged the States to  
9 strengthen their incorporation practices by obtaining  
10 beneficial ownership information for the corporations  
11 and limited liability companies formed under the  
12 laws of such States.

13 (8) Many States have established automated  
14 procedures that allow a person to form a new cor-  
15 poration or limited liability company within the  
16 State within 24 hours of filing an online application,  
17 without any prior review of the application by a  
18 State official. In exchange for a substantial fee, 2  
19 States will form a corporation within 1 hour of a re-  
20 quest.

21 (9) Dozens of Internet Web sites highlight the  
22 anonymity of beneficial owners allowed under the in-  
23 corporation practices of some States, point to those  
24 practices as a reason to incorporate in those States,  
25 and list those States together with offshore jurisdic-

1 tions as preferred locations for the formation of new  
2 corporations, essentially providing an open invitation  
3 to criminals and other wrongdoers to form entities  
4 within the United States.

5 (10) In contrast to practices in the United  
6 States, all 28 countries in the European Union are  
7 required to have formation agents identify the bene-  
8 ficial owners of the corporations formed under the  
9 laws of the country.

10 (11) To reduce the vulnerability of the United  
11 States to wrongdoing by United States corporations  
12 and limited liability companies with hidden owners,  
13 to protect interstate and international commerce  
14 from criminals misusing United States corporations  
15 and limited liability companies, to strengthen law en-  
16 forcement investigations of suspect corporations and  
17 limited liability companies, to set minimum stand-  
18 ards for and level the playing field among State in-  
19 corporation practices, and to bring the United States  
20 into compliance with its international anti-money  
21 laundering standards, Federal legislation is needed  
22 to require the collection of beneficial ownership in-  
23 formation for the corporations and limited liability  
24 companies formed under the laws of such States.

1 **SEC. 3. TRANSPARENT INCORPORATION PRACTICES.**

2 (a) IN GENERAL.—

3 (1) AMENDMENT TO THE BANK SECRECY  
4 ACT.—Chapter 53 of title 31, United States Code, is  
5 amended by inserting after section 5332 the fol-  
6 lowing new section:

7 **“§ 5333 Transparent incorporation practices**

8 “(a) REPORTING REQUIREMENTS.—

9 “(1) BENEFICIAL OWNERSHIP REPORTING.—

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

16 “(i) except as provided in paragraph  
17 (3), and subject to paragraph (2), identi-  
18 fies each beneficial owner by—

19 “(I) full legal name;

20 “(II) current residential or busi-  
21 ness street address; and

22 “(III) a unique identifying num-  
23 ber from a non-expired passport  
24 issued by the United States, a non-ex-  
25 pired personal identification card, or a

1 non-expired driver's license issued by  
2 a State; and

3 “(ii) if the applicant is not a bene-  
4 ficial owner, provides the identification in-  
5 formation described in clause (i) relating  
6 to such applicant.

7 “(B) UPDATED INFORMATION.—Each cor-  
8 poration or limited liability company formed  
9 under the laws of a State shall—

10 “(i) update the list of the beneficial  
11 owners of the corporation or limited liabil-  
12 ity company by providing the information  
13 described in subparagraph (A) to FinCEN  
14 not later than 60 days after the date of  
15 any change in the list of beneficial owners  
16 or the information required to be provided  
17 relating to each beneficial owner; and

18 “(ii) submit to FinCEN an annual fil-  
19 ing containing the list of the beneficial  
20 owners of the corporation or limited liabil-  
21 ity company and the information described  
22 in subparagraph (A) for each such bene-  
23 ficial owner.

24 “(2) CERTAIN BENEFICIAL OWNERS.—If an ap-  
25 plicant to form a corporation or limited liability com-

1       pany or a beneficial owner, officer, director, or simi-  
2       lar agent of a corporation or limited liability com-  
3       pany who is required to provide identification infor-  
4       mation under this subsection does not have a non-  
5       expired passport issued by the United States, a non-  
6       expired personal identification card, or a non-expired  
7       driver’s license issued by a State, each applicant  
8       shall provide to FinCEN the full legal name, current  
9       residential or business street address, a unique iden-  
10      tifying number from a non-expired passport issued  
11      by a foreign government, and a legible and credible  
12      copy of the pages of a non-expired passport issued  
13      by the government of a foreign country bearing a  
14      photograph, date of birth, and unique identifying in-  
15      formation for each beneficial owner, and each appli-  
16      cation described in paragraph (1)(A) and each up-  
17      date described in paragraph (1)(B) shall include a  
18      certification by an applicant residing in the State  
19      that the applicant—

20               “(A) has obtained for each such beneficial  
21               owner, a current residential or business street  
22               address and a legible and credible copy of the  
23               pages of a non-expired passport issued by the  
24               government of a foreign country bearing a pho-



1           tograph, date of birth, and unique identifying  
2           information for the person;

3           “(B) has verified the full legal name, ad-  
4           dress, and identity of each such person;

5           “(C) will provide the information described  
6           in subparagraph (A) and the proof of  
7           verification described in subparagraph (B) upon  
8           request of FinCEN; and

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

17          “(3) EXEMPT ENTITIES.—

18          “(A) IN GENERAL.—With respect to an ap-  
19          plicant to form a corporation or limited liability  
20          company under the laws of a State, if such enti-  
21          ty is described in subparagraph (C) or (D) of  
22          subsection (d)(4) and will be exempt from the  
23          beneficial ownership disclosure requirements  
24          under this subsection, such applicant, or a pro-  
25          spective officer, director, or similar agent of the

1 applicant, shall file a certification with  
2 FinCEN—

3 “(i) identifying the specific provision  
4 of subsection (d)(4) under which the entity  
5 proposed to be formed would be exempt  
6 from the beneficial ownership disclosure re-  
7 quirements under paragraphs (1) and (2);

8 “(ii) stating that the entity proposed  
9 to be formed meets the requirements for  
10 an entity described under such provision of  
11 subsection (d)(4); and

12 “(iii) providing identification informa-  
13 tion for the applicant or prospective offi-  
14 cer, director, or similar agent making the  
15 certification in the same manner as pro-  
16 vided under paragraph (1) or (2).

17 “(B) EXISTING CORPORATIONS OR LIM-  
18 ITED LIABILITY COMPANIES.—On and after the  
19 date that is 2 years after the final regulations  
20 are issued to carry out this section, a corpora-  
21 tion or limited liability company formed under  
22 the laws of the State before such date shall be  
23 subject to the requirements of this subsection  
24 unless an officer, director, or similar agent of  
25 the entity submits to FinCEN a certification—

1           “(i) identifying the specific provision  
2           of subsection (d)(4) under which the entity  
3           is exempt from the requirements under  
4           paragraphs (1) and (2);

5           “(ii) stating that the entity meets the  
6           requirements for an entity described under  
7           such provision of subsection (d)(2); and

8           “(iii) providing identification informa-  
9           tion for the officer, director, or similar  
10          agent making the certification in the same  
11          manner as provided under paragraph (1)  
12          or (2).

13          “(C) EXEMPT ENTITIES HAVING OWNER-  
14          SHIP INTEREST.—If an entity described in sub-  
15          paragraph (C) or (D) of subsection (d)(2) has  
16          or will have an ownership interest in a corpora-  
17          tion or limited liability company formed or to be  
18          formed under the laws of a State, the applicant,  
19          corporation, or limited liability company in  
20          which the entity has or will have the ownership  
21          interest shall provide the information required  
22          under this subsection relating to the entity, ex-  
23          cept that the entity shall not be required to pro-  
24          vide information regarding any natural person  
25          who has an ownership interest in, exercises sub-

1           stantial control over, or receives substantial eco-  
2           nomic benefits from the entity.

3           “(4) RETENTION AND DISCLOSURE OF BENE-  
4           FICIAL OWNERSHIP INFORMATION BY FINCEN.—

5                   “(A) RETENTION OF INFORMATION.—Ben-  
6           eficial ownership information relating to each  
7           corporation or limited liability company formed  
8           under the laws of the State shall be maintained  
9           by FinCEN until the end of the 5-year period  
10          beginning on the date that the corporation or  
11          limited liability company terminates.

12                   “(B) DISCLOSURE OF INFORMATION.—  
13          Beneficial ownership information reported to  
14          FinCEN pursuant to this section shall be pro-  
15          vided by FinCEN upon receipt of—

16                           “(i) a request, through appropriate  
17                           protocols, by a local, Tribal, State, or Fed-  
18                           eral agency;

19                           “(ii) a request made by a Federal  
20                           agency on behalf of a law enforcement  
21                           agency of another country under an inter-  
22                           national treaty, agreement, or convention,  
23                           or an order under section 3512 of title 18  
24                           or section 1782 of title 28; or

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

8           “(b) NO BEARER SHARE CORPORATIONS OR LIM-  
9           ITED LIABILITY COMPANIES.—A corporation or limited li-  
10          ability company formed under the laws of a State may  
11          not issue a certificate in bearer form evidencing either a  
12          whole or fractional interest in the corporation or limited  
13          liability company.

14          “(c) PENALTIES.—

15                 “(1) IN GENERAL.—It shall be unlawful for any  
16          person to affect interstate or foreign commerce by—

17                         “(A) knowingly providing, or attempting to  
18                         provide, false or fraudulent beneficial ownership  
19                         information, including a false or fraudulent  
20                         identifying photograph, to FinCEN in accord-  
21                         ance with this section;

22                         “(B) willfully failing to provide complete or  
23                         updated beneficial ownership information to  
24                         FinCEN in accordance with this section; or

1           “(C) knowingly disclosing the existence of  
2           a subpoena or other request for beneficial own-  
3           ership information reported pursuant to this  
4           section, except—

5                   “(i) to the extent necessary to fulfill  
6                   the authorized request; or

7                   “(ii) as authorized by the entity that  
8                   issued the subpoena, or other request.

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

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

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

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

18                   “(1) APPLICANT.—The term ‘applicant’ means  
19                   any natural person who files an application to form  
20                   a corporation or limited liability company under the  
21                   laws of a State.

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

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

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

3           “(C) this subchapter.

4           “(3) BENEFICIAL OWNER.—

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

10           “(i) exercises substantial control over  
11           a corporation or limited liability company;  
12           or

13           “(ii) has a substantial interest in or  
14           receives substantial economic benefits from  
15           the assets of a corporation or limited liabil-  
16           ity company.

17           “(B) EXCEPTIONS.—The term ‘beneficial  
18           owner’ shall not include—

19           “(i) a minor child, as defined in the  
20           State in which the entity is formed;

21           “(ii) a person acting as a nominee,  
22           intermediary, custodian, or agent on behalf  
23           of another person;

24           “(iii) a person acting solely as an em-  
25           ployee of a corporation or limited liability

1           company and whose control over or eco-  
2           nomic benefits from the corporation or lim-  
3           ited liability company derives solely from  
4           the employment status of the person;

5           “(iv) a person whose only interest in  
6           a corporation or limited liability company  
7           is through a right of inheritance; or

8           “(v) a creditor of a corporation or  
9           limited liability company, unless the cred-  
10          itor also meets the requirements of sub-  
11          paragraph (A).

12          “(C) SUBSTANTIAL ECONOMIC BENEFITS  
13          DEFINED.—For purposes of subparagraph  
14          (A)(ii), a natural person receives substantial  
15          economic benefits from the assets of a corpora-  
16          tion or limited liability company if the person  
17          has an entitlement to the funds or assets of the  
18          corporation or limited liability company that, as  
19          a practical matter, enables the person, directly  
20          or indirectly, to control, manage, or direct the  
21          corporation or limited liability company.

22          “(4) CORPORATION; LIMITED LIABILITY COM-  
23          PANY.—The terms ‘corporation’ and ‘limited liability  
24          company’—



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

3           “(B) include any non-United States entity  
4           eligible for registration or registered to do busi-  
5           ness as a corporation or limited liability com-  
6           pany under the laws of the applicable State;

7           “(C) do not include any entity that is—

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

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

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 credit union (as defined in sec-  
24                   tion 101 of the Federal Credit Union Act  
25                   (12 U.S.C. 1752));

1           “(v) a bank holding company (as de-  
2           fined in section 2 of the Bank Holding  
3           Company Act of 1956 (12 U.S.C. 1841));

4           “(vi) a broker or dealer (as defined in  
5           section 3 of the Securities Exchange Act of  
6           1934 (15 U.S.C. 78c)) that is registered  
7           under section 15 of the Securities Ex-  
8           change Act of 1934 (15 U.S.C. 78o);

9           “(vii) an exchange or clearing agency  
10          (as defined in section 3 of the Securities  
11          Exchange Act of 1934 (15 U.S.C. 78c))  
12          that is registered under section 6 or 17A  
13          of the Securities Exchange Act of 1934  
14          (15 U.S.C. 78f and 78q-1);

15          “(viii) an investment company (as de-  
16          fined in section 3 of the Investment Com-  
17          pany Act of 1940 (15 U.S.C. 80a-3)) or  
18          an investment adviser (as defined in sec-  
19          tion 202(11) of the Investment Advisers  
20          Act of 1940 (15 U.S.C. 80b-2(11))), if the  
21          company or adviser is registered with the  
22          Securities and Exchange Commission, or  
23          has filed an application for registration  
24          which has not been denied, under the In-  
25          vestment Company Act of 1940 (15 U.S.C.

1 80a–1 et seq.) or the Investment Adviser  
2 Act of 1940 (15 U.S.C. 80b–1 et seq.);

3 “(ix) an insurance company (as de-  
4 fined in section 2 of the Investment Com-  
5 pany Act of 1940 (15 U.S.C. 80a–2));

6 “(x) a registered entity (as defined in  
7 section 1a of the Commodity Exchange Act  
8 (7 U.S.C. 1a)), or a futures commission  
9 merchant, introducing broker, commodity  
10 pool operator, or commodity trading advi-  
11 sor (as defined in section 1a of the Com-  
12 modity Exchange Act (7 U.S.C. 1a)) that  
13 is registered with the Commodity Futures  
14 Trading Commission;

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

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

22 “(xiii) a church, charity, nonprofit en-  
23 tity, or other organization that is described  
24 in section 501(c), 527, or 4947(a)(1) of  
25 the Internal Revenue Code of 1986, that

1 has not been denied tax exempt status, and  
2 that has filed the most recently due annual  
3 information return with the Internal Rev-  
4 enue Service, if required to file such a re-  
5 turn;

6 “(xiv) any business concern that—

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

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

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

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

22 “(D) do not include any individual busi-  
23 ness concern or class of business concerns  
24 which the Secretary of the Treasury, with the  
25 written concurrence of the Attorney General of

1           the United States, has determined in writing  
2           should be exempt from the requirements of sub-  
3           section (a), because requiring beneficial owner-  
4           ship information from the business concern  
5           would not serve the public interest and would  
6           not assist law enforcement efforts to detect,  
7           prevent, or punish terrorism, money laundering,  
8           tax evasion, or other misconduct.

9           “(5) FINCEN.—The term ‘FinCEN’ means the  
10          Financial Crimes Enforcement Network of the De-  
11          partment of the Treasury.

12          “(6) PERSONAL IDENTIFICATION CARD.—The  
13          term ‘personal identification card’ means an identi-  
14          fication document issued by a State, local govern-  
15          ment, or federally recognized Indian Tribe to an in-  
16          dividual solely for the purpose of identification of  
17          that individual.

18          “(7) STATE.—The term ‘State’ means any  
19          State, commonwealth, territory, or possession of the  
20          United States, the District of Columbia, the Com-  
21          monwealth of Puerto Rico, the Commonwealth of the  
22          Northern Mariana Islands, American Samoa, Guam,  
23          or the United States Virgin Islands.”.

24          (2) RULEMAKING.—Not later than the begin-  
25          ning of fiscal year 2021, the Secretary of the Treas-

1           ury shall issue regulations to carry out this Act and  
2           the amendments made by this Act.

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

5                   (A) in section 5321(a)—

6                           (i) in paragraph (1), by striking “sec-  
7                           tions 5314 and 5315” each place it ap-  
8                           pears and inserting “sections 5314, 5315,  
9                           and 5333”; and

10                           (ii) in paragraph (6), by inserting  
11                           “(except section 5333)” after “sub-  
12                           chapter” each place it appears; and

13                   (B) in section 5322, by striking “section  
14                   5315 or 5324” each place it appears and insert-  
15                   ing “section 5315, 5324, or 5333”.

16           (4) TABLE OF CONTENTS.—The table of con-  
17           tents of chapter 53 of title 31, United States Code,  
18           is amended by inserting after the item relating to  
19           section 5332 the following:

“Sec. 5333. Transparent incorporation practices.”.

20           (b) FUNDING AUTHORIZATION.—

21                   (1) IN GENERAL.—To carry out section 5333 of  
22                   title 31, United States Code, as added by subsection  
23                   (a), during the 3-year period beginning on the date  
24                   of enactment of this Act, funds shall be made avail-  
25                   able to the Financial Crimes Enforcement Network

1 (in this subsection referred to as “FinCEN”) to pay  
2 reasonable costs relating to compliance with the re-  
3 quirements of such section.

4 (2) FUNDING SOURCES.—Funds shall be pro-  
5 vided to FinCEN to carry out the purposes de-  
6 scribed in paragraph (1) from one or more of the  
7 following sources:

8 (A) Upon application by FinCEN, and  
9 without further appropriation, the Secretary of  
10 the Treasury shall make available to the  
11 FinCEN unobligated balances described in sec-  
12 tion 9703(g)(4)(B) of title 31, United States  
13 Code, in the Department of the Treasury For-  
14 feiture Fund established under section 9703(a)  
15 of title 31, United States Code.

16 (B) Upon application by FinCEN, after  
17 consultation with the Secretary of the Treasury,  
18 and without further appropriation, the Attorney  
19 General of the United States shall make avail-  
20 able to FinCEN excess unobligated balances (as  
21 defined in section 524(c)(8)(D) of title 28,  
22 United States Code) in the Department of Jus-  
23 tice Assets Forfeiture Fund established under  
24 section 524(c) of title 28, United States Code.

25 (3) MAXIMUM AMOUNTS.—

1 (A) DEPARTMENT OF THE TREASURY.—  
2 The Secretary of the Treasury may not make  
3 available to FinCEN a total of more than  
4 \$30,000,000 under paragraph (2)(A).

5 (B) DEPARTMENT OF JUSTICE.—The At-  
6 torney General of the United States may not  
7 make available to FinCEN a total of more than  
8 \$10,000,000 under paragraph (2)(B).

9 (c) FEDERAL CONTRACTORS.—Not later than the  
10 first day of the first full fiscal year beginning at least 1  
11 year after the date of the enactment of this Act, the Ad-  
12 ministrator for Federal Procurement Policy shall revise  
13 the Federal Acquisition Regulation maintained under sec-  
14 tion 1303(a)(1) of title 41, United States Code, to require  
15 any contractor or subcontractor who is subject to the re-  
16 quirement to disclose beneficial ownership information  
17 under section 5333 of title 31, United States Code, to pro-  
18 vide the information required to be disclosed under such  
19 section to the Federal Government as part of any bid or  
20 proposal for a contract with a value threshold in excess  
21 of the simplified acquisition threshold under section 134  
22 of title 41, United States Code.

23 **SEC. 4. STUDIES AND REPORTS.**

24 (a) OTHER LEGAL ENTITIES.—Not later than 2  
25 years after the date of enactment of this Act, the Comp-



1 troller General of the United States shall conduct a study  
2 and submit to the Congress a report—

3 (1) identifying each State that has procedures  
4 that enable persons to form or register under the  
5 laws of the State partnerships, trusts, or other legal  
6 entities, and the nature of those procedures;

7 (2) identifying each State that requires persons  
8 seeking to form or register partnerships, trusts, or  
9 other legal entities under the laws of the State to  
10 provide information about the beneficial owners (as  
11 that term is defined in section 5333(d)(1) of title  
12 31, United States Code, as added by this Act) or  
13 beneficiaries of such entities, and the nature of the  
14 required information;

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

18 (A) raises concerns about the involvement  
19 of such entities in terrorism, money laundering,  
20 tax evasion, securities fraud, or other mis-  
21 conduct; and

22 (B) has impeded investigations into enti-  
23 ties suspected of such misconduct; and

24 (4) evaluating whether the failure of the United  
25 States to require beneficial ownership information

1 for partnerships and trusts formed or registered in  
2 the United States has elicited international criticism  
3 and what steps, if any, the United States has taken  
4 or is planning to take in response.

5 (b) EFFECTIVENESS OF INCORPORATION PRAC-  
6 TICES.—Not later than 5 years after the date of enact-  
7 ment of this Act, the Comptroller General of the United  
8 States shall conduct a study and submit to the Congress  
9 a report assessing the effectiveness of incorporation prac-  
10 tices implemented under this Act and the amendments  
11 made by this Act in—

12 (1) providing law enforcement agencies with  
13 prompt access to reliable, useful, and complete bene-  
14 ficial ownership information; and

15 (2) strengthening the capability of law enforce-  
16 ment agencies to combat incorporation abuses, civil  
17 and criminal misconduct, and detect, prevent, or  
18 punish terrorism, money laundering, tax evasion, or  
19 other misconduct.