

October 21, 2019

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Speaker Pelosi and Minority Leader McCarthy:

The undersigned state bankers associations, representing banks of all sizes in every state, write to express our strong support for legislation that will come before the House floor the week of October 21<sup>st</sup>. **The Corporate Transparency Act (H.R. 2513) as amended** will for the first time in nearly 50 years update and modernize our anti-money laundering and Bank Secrecy Act program, by establishing a secure national database of beneficial ownership information, closing the loopholes in the Bank Secrecy Act and ultimately improving our country's anti-money laundering compliance framework by making it more effective and efficient.

Our member banks dedicate significant time and resources to collecting and recording information to determine a legal entity's beneficial ownership—those who directly or indirectly own, control or benefit from a company. By law, this information must be updated and verified every time a new or existing business client opens an account, loan or other service. Yet there are no registries in place to help them easily verify the information captured. This loophole thwarts the efforts of many banks, which are working overtime to effectively comply with anti-money laundering and anti-terrorism laws. Establishing a national beneficial ownership registry would also bring the United States in line with other OECD countries; the Financial Action Task Force (FATF) criticized the US in their assessments back in 2006, and again in 2016, for lack of sufficient access to beneficial ownership information. H.R. 2513, a bipartisan bill introduced by Representatives Carolyn Maloney and Peter King, would establish a federal registry and streamline the process of verifying and maintaining business ownership information captured by banks and help address this gap in the US AML compliance program. By requiring companies to self-disclose information about the true owner of a business, H.R. 2513 will also eliminate redundancies, and create more transparency and uniformity around collecting beneficial ownership data across America. This bill, endorsed by national banking trades and law enforcement, passed the House Financial Services Committee with a strong bipartisan vote.

Thanks to the bipartisan work of the House Financial Services Committee and the leadership of National Security, International Development and Monetary Policy Subcommittee Chairman Emanuel Cleaver, the legislation also includes important provisions that will improve the efficiency of compliance and help combat money laundering crimes, particularly by facilitating enhanced communication between banks and law enforcement. Banks play an important role in the fight against money laundering and other financial crimes and they are proud to play their part. They could be even more effective in identifying illicit activity if law enforcement provided feedback on the tens of thousands of suspicious activity reports that banks file every year. Knowing more about the results of their efforts, and emerging money laundering and counter

terror financing threat patterns and trends, will help them better target their resources and keep bad actors out of the system.

H.R. 2513 will help both banks and law enforcement access the information and tools they need to fight financial crimes, ultimately making it harder for criminals and terrorists to misuse legal companies to hide their criminal activities. **We urge all members of the House to support H.R. 2513 when it comes to the floor for a vote.**

Sincerely,

Alabama Bankers Association  
Alaska Bankers Association  
Arizona Bankers Association  
Arkansas Bankers Association  
California Bankers Association  
Colorado Bankers Association  
Connecticut Bankers Association  
Delaware Bankers Association  
Florida Bankers Association  
Georgia Bankers Association  
Hawaii Bankers Association  
Idaho Bankers Association  
Illinois Bankers Association  
Indiana Bankers Association  
Iowa Bankers Association  
Kansas Bankers Association  
Kentucky Bankers Association  
Louisiana Bankers Association  
Maine Bankers Association  
Maryland Bankers Association  
Massachusetts Bankers Association  
Michigan Bankers Association  
Minnesota Bankers Association  
Mississippi Bankers Association  
Missouri Bankers Association  
Montana Bankers Association  
Nebraska Bankers Association  
Nevada Bankers Association  
New Hampshire Bankers Association  
New Jersey Bankers Association  
New Mexico Bankers Association  
New York Bankers Association  
North Carolina Bankers Association  
North Dakota Bankers Association

Ohio Bankers League  
Oklahoma Bankers Association  
Oregon Bankers Association  
Pennsylvania Bankers Association  
Puerto Rico Bankers Association  
Rhode Island Bankers Association  
South Carolina Bankers Association  
South Dakota Bankers Association  
Tennessee Bankers Association  
Texas Bankers Association  
Utah Bankers Association  
Vermont Bankers Association  
Virginia Bankers Association  
Washington Bankers Association  
West Virginia Bankers Association  
Wisconsin Bankers Association  
Wyoming Bankers Association

cc: Members of the U.S. House of Representatives