



## U.S. HOUSE PASSES CBAI SUPPORTED LEGISLATION TO PROVIDE BENEFICIAL OWNERSHIP REPORTING RELIEF

The Community Bankers Association of Illinois (CBAI) and Illinois community bankers support the House passage of H.R. 2513 (Corporate Transparency Act of 2019) which amends the Bank Secrecy Act to provide relief to community banks from Financial Crimes Enforcement Network's (FinCEN) beneficial ownership disclosure mandates. This information is being collected to assist law enforcement in preventing, detecting and punishing terrorism, money laundering, tax evasion and other crimes.

This legislation requires certain small businesses to disclose their beneficial owners directly to the FinCEN. Currently this information is being collected by banks when an account is opened or when there is a change in ownership structure. Providing this information directly to FinCEN would increase the uniformity of the data collected across the entire financial services industry, enhance FinCEN's ability to more effectively pursue suspects, and allow community banks to focus more on customer service than serving as an arm of law enforcement.

This legislation also codifies the information-sharing process between law enforcement, financial institutions and the Treasury Department; requires the Treasury to examine whether transaction thresholds for banks submitting Suspicious Activity Reports (SARs) and Currency Transaction Reports (CTRs) should be updated; requires FinCEN to develop stringent procedures on who can access the beneficial ownership information; and requires the Treasury to report annually to Congress with statistics on the beneficial ownership information that is being collected.

CBAI's strong advocacy on this issue goes back to our comment letters in May of 2012 and January of 2016. While these efforts did not dissuade FinCEN from imposing this data collection requirement on community banks, the House-passed legislation is an important step in providing needed regulatory relief.

The legislation passed the House Financial Services Committee (43-16) and the U.S. House (249-173) with strong bi-partisan majorities. CBAI thanks the members of the Illinois delegation who voted in favor of the bill and especially thanks Illinois Congressmen Bill Foster (D-11 ), Sean Casten (D-06 ) and Jesus Garcia (D-04 ) for helping to advance this legislation in Committee.

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