

1 (k) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to the Department to
3 carry out this section—

4 (1) \$200,000,000 for fiscal year 2021;

5 (2) \$214,000,000 for fiscal year 2022;

6 (3) \$228,980,000 for fiscal year 2023;

7 (4) \$245,000,000 for fiscal year 2024; and

8 (5) \$262,160,000 for fiscal year 2025.

9 **DIVISION F—ANTI-MONEY**
10 **LAUNDERING**

11 **SEC. 6001. SHORT TITLE.**

12 This division may be cited as the “Anti-Money Laun-
13 dering Act of 2020”.

14 **SEC. 6002. PURPOSES.**

15 The purposes of this division are—

16 (1) to improve coordination and information
17 sharing among the agencies tasked with admin-
18 istering anti-money laundering and countering the
19 financing of terrorism requirements, the agencies
20 that examine financial institutions for compliance
21 with those requirements, Federal law enforcement
22 agencies, national security agencies, the intelligence
23 community, and financial institutions;

24 (2) to modernize anti-money laundering and
25 countering the financing of terrorism laws to adapt

1 the government and private sector response to new
2 and emerging threats;

3 (3) to encourage technological innovation and
4 the adoption of new technology by financial institu-
5 tions to more effectively counter money laundering
6 and the financing of terrorism;

7 (4) to reinforce that the anti-money laundering
8 and countering the financing of terrorism policies,
9 procedures, and controls of financial institutions
10 shall be risk-based;

11 (5) to establish uniform beneficial ownership in-
12 formation reporting requirements to—

13 (A) improve transparency for national se-
14 curity, intelligence, and law enforcement agen-
15 cies and financial institutions concerning cor-
16 porate structures and insight into the flow of il-
17 licit funds through those structures;

18 (B) discourage the use of shell corpora-
19 tions as a tool to disguise and move illicit
20 funds;

21 (C) assist national security, intelligence,
22 and law enforcement agencies with the pursuit
23 of crimes; and

24 (D) protect the national security of the
25 United States; and

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

3 **SEC. 6003. DEFINITIONS.**

4 In this division:

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

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

9 (B) chapter 2 of title I of Public Law 91-
10 508 (12 U.S.C. 1951 et seq.); and

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

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

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

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

22 (B) includes any Federal regulator that ex-
23 amines a financial institution for compliance
24 with the Bank Secrecy Act.

1 (4) FINANCIAL AGENCY.—The term “financial
2 agency” has the meaning given the term in section
3 5312(a) of title 31, United States Code, as amended
4 by section 6102 of this division.

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

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

9 (B) includes—

10 (i) an electronic fund transfer net-
11 work; and

12 (ii) a clearing and settlement system.

13 (6) FINCEN.—The term “FinCEN” means the
14 Financial Crimes Enforcement Network of the De-
15 partment of the Treasury.

16 (7) SECRETARY.—The term “Secretary” means
17 the Secretary of the Treasury.

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

22 (9) 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 **TITLE LXI—STRENGTHENING**
2 **TREASURY FINANCIAL INTEL-**
3 **LIGENCE, ANTI-MONEY LAUN-**
4 **DERING, AND COUNTERING**
5 **THE FINANCING OF TER-**
6 **RORISM PROGRAMS**

Sec. 6101. Establishment of national exam and supervision priorities.

Sec. 6102. Strengthening FinCEN.

Sec. 6103. FinCEN Exchange.

Sec. 6104. Interagency anti-money laundering and countering the financing of terrorism personnel rotation program.

Sec. 6105. Terrorism and financial intelligence special hiring authority.

Sec. 6106. Treasury Attaché program.

Sec. 6107. Establishment of FinCEN Domestic Liaisons.

Sec. 6108. Foreign Financial Intelligence Unit Liaisons.

Sec. 6109. Protection of information exchanged with foreign law enforcement and financial intelligence units.

Sec. 6110. Bank Secrecy Act application to dealers in antiquities and assessment of Bank Secrecy Act application to dealers in arts.

Sec. 6111. Increasing technical assistance for international cooperation.

Sec. 6112. International coordination.

7 **SEC. 6101. ESTABLISHMENT OF NATIONAL EXAM AND SU-**
8 **PERVISION PRIORITIES.**

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

12 **“§ 5311. Declaration of purpose**

13 “It is the purpose of this subchapter (except section
14 5315) to—

15 “(1) require certain reports or records that are
16 highly useful in—

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

1 “(B) intelligence or counterintelligence ac-
2 tivities, including analysis, to protect against
3 terrorism;

4 “(2) prevent the laundering of money and the
5 financing of terrorism through the establishment by
6 financial institutions of reasonably designed risk-
7 based programs to combat money laundering and
8 the financing of terrorism;

9 “(3) facilitate the tracking of money that has
10 been sourced through criminal activity or is intended
11 to promote criminal or terrorist activity;

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

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

17 “(B) safeguard the national security of the
18 United States; and

19 “(5) establish appropriate frameworks for infor-
20 mation sharing among financial institutions, their
21 agents and service providers, their regulatory au-
22 thorities, associations of financial institutions, the
23 Department of the Treasury, and law enforcement
24 authorities to identify, stop, and apprehend money
25 launderers and those who finance terrorists.”.

1 (b) ANTI-MONEY LAUNDERING PROGRAMS.—Section
2 5318 of title 31, United States Code, is amended—

3 (1) in subsection (a)(1), by striking “subsection
4 (b)(2)” and inserting “subsections (b)(2) and
5 (h)(4)”; and

6 (2) in subsection (h)—

7 (A) in paragraph (1), in the matter pre-
8 ceding subparagraph (A)—

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

11 (ii) by inserting “and countering the
12 financing of terrorism” after “anti-money
13 laundering”;

14 (B) in paragraph (2)—

15 (i) by striking “The Secretary” and
16 inserting the following:

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

18 (ii) by adding at the end the fol-
19 lowing:

20 “(B) FACTORS.—In prescribing the min-
21 imum standards under subparagraph (A), and
22 in supervising and examining compliance with
23 those standards, the Secretary of the Treasury,
24 and the appropriate Federal functional regu-
25 lator (as defined in section 509 of the Gramm-

1 Leach-Bliley Act (12 U.S.C. 6809)) shall take
2 into account the following:

3 “(i) Financial institutions are spend-
4 ing private compliance funds for a public
5 and private benefit, including protecting
6 the United States financial system from il-
7 licit finance risks.

8 “(ii) The extension of financial serv-
9 ices to the underbanked and the facilita-
10 tion of financial transactions, including re-
11 mittances, coming from the United States
12 and abroad in ways that simultaneously
13 prevent criminal persons from abusing for-
14 mal or informal financial services networks
15 are key policy goals of the United States.

16 “(iii) Effective anti-money laundering
17 and countering the financing of terrorism
18 programs safeguard national security and
19 generate significant public benefits by pre-
20 venting the flow of illicit funds in the fi-
21 nancial system and by assisting law en-
22 forcement and national security agencies
23 with the identification and prosecution of
24 persons attempting to launder money and

1 undertake other illicit activity through the
2 financial system.

3 “(iv) Anti-money laundering and
4 countering the financing of terrorism pro-
5 grams described in paragraph (1) should
6 be—

7 “(I) reasonably designed to as-
8 sure and monitor compliance with the
9 requirements of this subchapter and
10 regulations promulgated under this
11 subchapter; and

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

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

21 “(4) PRIORITIES.—

22 “(A) IN GENERAL.—Not later than 180
23 days after the date of enactment of this para-
24 graph, the Secretary of the Treasury, in con-
25 sultation with the Attorney General, Federal

1 functional regulators (as defined in section 509
2 of the Gramm-Leach-Bliley Act (15 U.S.C.
3 6809)), relevant State financial regulators, and
4 relevant national security agencies, shall estab-
5 lish and make public priorities for anti-money
6 laundering and countering the financing of ter-
7 rorism policy.

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

17 “(C) RELATION TO NATIONAL STRAT-
18 EGY.—The Secretary of the Treasury shall en-
19 sure that the priorities established under sub-
20 paragraph (A) are consistent with the national
21 strategy for countering the financing of ter-
22 rorism and related forms of illicit finance devel-
23 oped under section 261 of the Countering Rus-
24 sian Influence in Europe and Eurasia Act of
25 2017 (Public Law 115–44; 131 Stat. 934).

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

13 “(E) SUPERVISION AND EXAMINATION.—
14 The review by a financial institution of the pri-
15 orities established under subparagraph (A) and
16 the incorporation of those priorities, as appro-
17 priate, into the risk-based programs established
18 by the financial institution to meet obligations
19 under this subchapter, the USA PATRIOT Act
20 (Public Law 107–56; 115 Stat. 272), and other
21 anti-money laundering and countering the fi-
22 nancing of terrorism laws and regulations shall
23 be included as a measure on which a financial
24 institution is supervised and examined for com-
25 pliance with those obligations.

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

11 (c) FINANCIAL CRIMES ENFORCEMENT NETWORK.—
12 Section 310(b)(2) of title 31, United States Code, is
13 amended—

14 (1) by redesignating subparagraph (J) as sub-
15 paragraph (O); and

16 (2) by inserting after subparagraph (I) the fol-
17 lowing:

18 “(J) Promulgate regulations under section
19 5318(h)(4)(D), as appropriate, to implement
20 the government-wide anti-money laundering and
21 countering the financing of terrorism priorities
22 established by the Secretary of the Treasury
23 under section 5318(h)(4)(A).

24 “(K) Communicate regularly with financial
25 institutions and Federal functional regulators

1 that examine financial institutions for compli-
2 ance with subchapter II of chapter 53 and reg-
3 ulations promulgated under that subchapter
4 and law enforcement authorities to explain the
5 United States Government’s anti-money laun-
6 dering and countering the financing of ter-
7 rorism priorities.

8 “(L) Give and receive feedback to and
9 from financial institutions, State bank super-
10 visors, and State credit union supervisors (as
11 those terms are defined in section 6003 of the
12 Anti-Money Laundering Act of 2020) regarding
13 the matters addressed in subchapter II of chap-
14 ter 53 and regulations promulgated under that
15 subchapter.

16 “(M) Maintain money laundering and ter-
17 rorist financing investigation financial experts
18 capable of identifying, tracking, and analyzing
19 financial crime networks and identifying emerg-
20 ing threats to support Federal civil and crimi-
21 nal investigations.

22 “(N) Maintain emerging technology ex-
23 perts to encourage the development of and iden-
24 tify emerging technologies that can assist the
25 United States Government or financial institu-

1 tions in countering money laundering and the
2 financing of terrorism.”.

3 **SEC. 6102. STRENGTHENING FINCEN.**

4 (a) SENSE OF CONGRESS.—It is the sense of Con-
5 gress that—

6 (1) the mission of FinCEN should be to con-
7 tinue to safeguard the financial system from illicit
8 activity, counter money laundering and the financing
9 of terrorism, and promote national security through
10 strategic use of financial authorities and the collec-
11 tion, analysis, and dissemination of financial intel-
12 ligence;

13 (2) in its mission to safeguard the financial sys-
14 tem from the abuses of financial crime, the United
15 States should prioritize working with partners in
16 Federal, State, local, Tribal, and foreign law en-
17 forcement authorities;

18 (3) although the use and trading of virtual cur-
19 rencies are legal practices, some terrorists and crimi-
20 nals, including transnational criminal organizations,
21 seek to exploit vulnerabilities in the global financial
22 system and increasingly rely on substitutes for cur-
23 rency, including emerging payment methods (such as
24 virtual currencies), to move illicit funds; and

1 (4) in carrying out its mission, FinCEN should
2 ensure that its efforts fully support countering the
3 financing of terrorism efforts, including making sure
4 that steps to address emerging methods of such il-
5 licit financing are high priorities.

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

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

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

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

17 (1) by inserting “, including the collection and
18 reporting of certain information as the Secretary of
19 the Treasury may prescribe by regulation,” after
20 “appropriate procedures”; and

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

24 (d) VALUE THAT SUBSTITUTES FOR CURRENCY.—

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

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

10 (B) in paragraph (2)—

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

16 (ii) in subparagraph (R), by striking
17 “funds,” and inserting “currency, funds,
18 or value that substitutes for currency,”;
19 and

20 (C) in paragraph (3)—

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

23 (ii) in subparagraph (C), by striking
24 the period at the end and inserting “;
25 and”;

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

3 “(D) as the Secretary shall provide by reg-
4 ulation, value that substitutes for any monetary
5 instrument described in subparagraph (A), (B),
6 or (C).”.

7 (2) REGISTRATION OF MONEY TRANSMITTING
8 BUSINESSES.—Section 5330(d) of title 31, United
9 States Code, is amended—

10 (A) in paragraph (1)(A)—

11 (i) by striking “funds,” and inserting
12 “currency, funds, or value that substitutes
13 for currency,”; and

14 (ii) by striking “system;” and insert-
15 ing “system;” and

16 (B) in paragraph (2)—

17 (i) by striking “currency or funds de-
18 nominated in the currency of any country”
19 and inserting “currency, funds, or value
20 that substitutes for currency”;

21 (ii) by striking “currency or funds, or
22 the value of the currency or funds,” and
23 inserting “currency, funds, or value that
24 substitutes for currency”; and

1 (iii) by inserting “, including” after
2 “means”.

3 **SEC. 6103. FINCEN EXCHANGE.**

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

6 (1) by redesignating subsection (d) as sub-
7 section (1); and

8 (2) by inserting after subsection (c) the fol-
9 lowing:

10 “(d) FINCEN EXCHANGE.—

11 “(1) ESTABLISHMENT.—The FinCEN Ex-
12 change is hereby established within FinCEN.

13 “(2) PURPOSE.—The FinCEN Exchange shall
14 facilitate a voluntary public-private information
15 sharing partnership among law enforcement agen-
16 cies, national security agencies, financial institu-
17 tions, and FinCEN to—

18 “(A) effectively and efficiently combat
19 money laundering, terrorism financing, orga-
20 nized crime, and other financial crimes, includ-
21 ing by promoting innovation and technical ad-
22 vances in reporting—

23 “(i) under subchapter II of chapter 53
24 and the regulations promulgated under
25 that subchapter; and

1 “(ii) with respect to other anti-money
2 laundering requirements;

3 “(B) protect the financial system from il-
4 licit use; and

5 “(C) promote national security.

6 “(3) REPORT.—

7 “(A) IN GENERAL.—Not later than 1 year
8 after the date of enactment of this subsection,
9 and once every 2 years thereafter for the next
10 5 years, the Secretary of the Treasury shall
11 submit to the Committee on Banking, Housing,
12 and Urban Affairs of the Senate and the Com-
13 mittee on Financial Services of the House of
14 Representatives a report containing—

15 “(i) an analysis of the efforts under-
16 taken by the FinCEN Exchange, which
17 shall include an analysis of—

18 “(I) the results of those efforts;

19 and

20 “(II) the extent and effectiveness
21 of those efforts, including any benefits
22 realized by law enforcement agencies
23 from partnering with financial institu-
24 tions, which shall be consistent with

1 standards protecting sensitive infor-
2 mation; and

3 “(ii) any legislative, administrative, or
4 other recommendations the Secretary may
5 have to strengthen the efforts of the
6 FinCEN Exchange.

7 “(B) CLASSIFIED ANNEX.—Each report
8 under subparagraph (A) may include a classi-
9 fied annex.

10 “(4) INFORMATION SHARING REQUIREMENT.—
11 Information shared under this subsection shall be
12 shared—

13 “(A) in compliance with all other applica-
14 ble Federal laws and regulations;

15 “(B) in such a manner as to ensure the
16 appropriate confidentiality of personal informa-
17 tion; and

18 “(C) at the discretion of the Director, with
19 the appropriate Federal functional regulator, as
20 defined in section 6003 of the Anti-Money
21 Laundering Act of 2020.

22 “(5) PROTECTION OF SHARED INFORMATION.—

23 “(A) REGULATIONS.—FinCEN shall, as
24 appropriate, promulgate regulations that estab-
25 lish procedures for the protection of information

1 shared and exchanged between FinCEN and
2 the private sector in accordance with this sec-
3 tion, consistent with the capacity, size, and na-
4 ture of the financial institution to which the
5 particular procedures apply.

6 “(B) USE OF INFORMATION.—Information
7 received by a financial institution pursuant to
8 this section shall not be used for any purpose
9 other than identifying and reporting on activi-
10 ties that may involve the financing of terrorism,
11 money laundering, proliferation financing, or
12 other financial crimes.

13 “(6) RULE OF CONSTRUCTION.—Nothing in
14 this subsection may be construed to create new in-
15 formation sharing authorities or requirements relat-
16 ing to the Bank Secrecy Act.”.

17 **SEC. 6104. INTERAGENCY ANTI-MONEY LAUNDERING AND**
18 **COUNTERING THE FINANCING OF TER-**
19 **RORISM PERSONNEL ROTATION PROGRAM.**

20 To promote greater effectiveness and efficiency in
21 combating money laundering, the financing of terrorism,
22 proliferation financing, serious tax fraud, trafficking,
23 sanctions evasion and other financial crimes, the Secretary
24 shall maintain and accelerate efforts to strengthen anti-
25 money laundering and countering the financing of ter-

1 rorism efforts through a personnel rotation program be-
2 tween the Federal functional regulators and the Depart-
3 ment of Justice, the Federal Bureau of Investigation, the
4 Department of Homeland Security, the Department of
5 Defense, and such other agencies as the Secretary deter-
6 mines are appropriate.

7 **SEC. 6105. TERRORISM AND FINANCIAL INTELLIGENCE**
8 **SPECIAL HIRING AUTHORITY.**

9 (a) FINCEN.—Section 310 of title 31, United States
10 Code, as amended by section 6103 of this division, is
11 amended by inserting after subsection (d) the following:

12 “(e) 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
18 FinCEN.

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 (O) of subsection (b)(2).”.

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

4 “(g) SPECIAL HIRING AUTHORITY.—

5 “(1) IN GENERAL.—The Secretary of the
6 Treasury may appoint, without regard to the provi-
7 sions of sections 3309 through 3318 of title 5, can-
8 didates directly to positions in the competitive serv-
9 ice, as defined in section 2102 of that title, in the
10 OTFI.

11 “(2) PRIMARY RESPONSIBILITIES.—The pri-
12 mary responsibility of candidates appointed under
13 paragraph (1) shall be to provide substantive sup-
14 port in support of the duties described in subpara-
15 graphs (A) through (G) of subsection (a)(4).

16 “(h) DEPLOYMENT OF STAFF.—The Secretary of the
17 Treasury may detail, without regard to the provisions of
18 section 300.301 of title 5, Code of Federal Regulations,
19 any employee in the OTFI to any position in the OTFI
20 for which the Secretary has determined there is a need.”.

21 (c) REPORT.—Not later than 1 year after the date
22 of enactment of this Act, and every 2 years thereafter for
23 5 years, the Secretary shall submit to the Committee on
24 Banking, Housing, and Urban Affairs of the Senate and
25 the Committee on Financial Services of the House of Rep-

1 representatives a report that includes the number of new em-
2 ployees hired during the previous year under the authori-
3 ties described in sections 310 and 312 of title 31, United
4 States Code, along with position titles and associated pay
5 grades for such hires.

6 **SEC. 6106. TREASURY ATTACHÉ PROGRAM.**

7 (a) IN GENERAL.—Subchapter I of chapter 3 of title
8 31, United States Code, is amended by adding at the end
9 the following:

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

11 “(a) IN GENERAL.—There is established the Treas-
12 ury Financial Attaché Program, under which the Sec-
13 retary of the Treasury shall appoint employees of the De-
14 partment of the Treasury as a Treasury Financial
15 Attaché, who shall—

16 “(1) further the work of the Department of the
17 Treasury in developing and executing the financial
18 and economic policy of the United States Govern-
19 ment and the international fight against terrorism,
20 money laundering, and other illicit finance;

21 “(2) be co-located in a United States Embassy,
22 a similar United States Government facility, or a
23 foreign government facility, as the Secretary deter-
24 mines is appropriate;

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

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

7 “(5) coordinate with representatives of the De-
8 partment of Justice at United States Embassies who
9 perform similar functions on behalf of the United
10 States Government; and

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

13 “(b) NUMBER OF ATTACHÉS.—

14 “(1) IN GENERAL.—The number of Treasury
15 Financial Attachés appointed under this section at
16 any one time shall be not fewer than 6 more employ-
17 ees than the number of employees of the Depart-
18 ment of the Treasury serving as Treasury attachés
19 on the date of enactment of this section.

20 “(2) ADDITIONAL POSTS.—The Secretary of the
21 Treasury may establish additional posts subject to
22 the availability of appropriations.

23 “(c) COMPENSATION.—

24 “(1) IN GENERAL.—Each Treasury Financial
25 Attaché appointed under this section and located at

1 a United States Embassy shall receive compensation,
2 including allowances, at the higher of—

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

6 “(B) the rate of compensation, including
7 allowances, the Treasury Financial Attaché
8 would otherwise have received, absent the appli-
9 cation of this subsection.

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

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

“316. Treasury Attaché Program.”.

16 **SEC. 6107. ESTABLISHMENT OF FINCEN DOMESTIC LIAI-**
17 **SONS.**

18 Section 310 of title 31, United States Code, as
19 amended by sections 6103 and 6105 of this division, is
20 amended by inserting after subsection (e) the following:

21 “(f) FINCEN DOMESTIC LIAISONS.—

22 “(1) ESTABLISHMENT OF OFFICE.—There is
23 established in FinCEN an Office of Domestic Liai-
24 son, which shall be headed by the Chief Domestic
25 Liaison.

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

3 “(g) CHIEF DOMESTIC LIAISON.—

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

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

7 “(B) be appointed by the Director, from
8 among individuals with experience or familiarity
9 with anti-money laundering program examina-
10 tions, supervision, and enforcement.

11 “(2) COMPENSATION.—The annual rate of pay
12 for the Chief Domestic Liaison shall be equal to the
13 highest rate of annual pay for similarly situated sen-
14 ior executives who report to the Director.

15 “(3) STAFF OF OFFICE.—The Chief Domestic
16 Liaison, with the concurrence of the Director, may
17 retain or employ counsel, research staff, and service
18 staff, as the Liaison determines necessary to carry
19 out the functions, powers, and duties under this sub-
20 section.

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

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

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

3 “(C) be located at an office in such region
4 or co-located at an office of the Board of Gov-
5 ernors of the Federal Reserve System in such
6 region.

7 “(5) FUNCTIONS OF THE DOMESTIC LIAI-
8 SONS.—

9 “(A) IN GENERAL.—Each Domestic Liai-
10 son shall—

11 “(i) in coordination with relevant Fed-
12 eral functional regulators, perform out-
13 reach to BSA officers at financial institu-
14 tions, including nonbank financial institu-
15 tions, and persons that are not financial
16 institutions, especially with respect to ac-
17 tions taken by FinCEN that require spe-
18 cific actions by, or have specific effects on,
19 such institutions or persons, as determined
20 by the Director;

21 “(ii) in accordance with applicable
22 agreements, receive feedback from finan-
23 cial institutions and examiners of Federal
24 functional regulators regarding their ex-
25 aminations under the Bank Secrecy Act

1 and communicate that feedback to
2 FinCEN, the Federal functional regu-
3 lators, and State bank supervisors;

4 “(iii) promote coordination and con-
5 sistency of supervisory guidance from
6 FinCEN, the Federal functional regu-
7 lators, State bank supervisors, and State
8 credit union supervisors regarding the
9 Bank Secrecy Act;

10 “(iv) act as a liaison between financial
11 institutions and their Federal functional
12 regulators, State bank supervisors, and
13 State credit union supervisors with respect
14 to information sharing matters involving
15 the Bank Secrecy Act and regulations pro-
16 mulgated thereunder;

17 “(v) establish safeguards to maintain
18 the confidentiality of communications be-
19 tween the persons described in clause (ii)
20 and the Office of Domestic Liaison;

21 “(vi) to the extent practicable, periodi-
22 cally propose to the Director changes in
23 the regulations, guidance, or orders of
24 FinCEN, including any legislative or ad-
25 ministrative changes that may be appro-

1 appropriate to ensure improved coordination and
2 expand information sharing under this
3 paragraph; and

4 “(vii) perform such other duties as
5 the Director determines to be appropriate.

6 “(B) RULE OF CONSTRUCTION.—Nothing
7 in this paragraph may be construed to permit
8 the Domestic Liaisons to have authority over
9 supervision, examination, or enforcement proc-
10 esses.

11 “(6) ACCESS TO DOCUMENTS.—FinCEN, to the
12 extent practicable and consistent with appropriate
13 safeguards for sensitive enforcement-related, pre-
14 decisional, or deliberative information, shall ensure
15 that the Domestic Liaisons have full access to the
16 documents of FinCEN, as necessary to carry out the
17 functions of the Office of Domestic Liaison.

18 “(7) ANNUAL REPORTS.—

19 “(A) IN GENERAL.—Not later than 1 year
20 after the date of enactment of this subsection
21 and every 2 years thereafter for 5 years, the
22 Director shall submit to the Committee on
23 Banking, Housing, and Urban Affairs of the
24 Senate and the Committee on Financial Serv-
25 ices of the House of Representatives a report on

1 the objectives of the Office of Domestic Liaison
2 for the following fiscal year and the activities of
3 the Office during the immediately preceding fis-
4 cal year.

5 “(B) CONTENTS.—Each report required
6 under subparagraph (A) shall include—

7 “(i) appropriate statistical information
8 and full and substantive analysis;

9 “(ii) information on steps that the Of-
10 fice of Domestic Liaison has taken during
11 the reporting period to address feedback
12 received by financial institutions and exam-
13 iners of Federal functional regulators re-
14 lating to examinations under the Bank Se-
15 crecy Act;

16 “(iii) recommendations to the Director
17 for such administrative and legislative ac-
18 tions as may be appropriate to address in-
19 formation sharing and coordination issues
20 encountered by financial institutions or ex-
21 aminers of Federal functional regulators;
22 and

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

1 “(C) SENSITIVE INFORMATION.—Notwith-
2 standing subparagraph (D), FinCEN shall re-
3 view each report required under subparagraph
4 (A) before the report is submitted to ensure the
5 report does not disclose sensitive information.

6 “(D) INDEPENDENCE.—

7 “(i) IN GENERAL.—Each report re-
8 quired under subparagraph (A) shall be
9 provided directly to the committees listed
10 in that subparagraph, except that a rel-
11 evant Federal functional regulator, State
12 bank supervisor, Office of Management
13 and Budget, or State credit union super-
14 visor shall have an opportunity for review
15 and comment before the submission of the
16 report.

17 “(ii) RULE OF CONSTRUCTION.—
18 Nothing in clause (i) may be construed to
19 preclude FinCEN or any other department
20 or agency from reviewing a report required
21 under subparagraph (A) for the sole pur-
22 pose of protecting—

23 “(I) sensitive information ob-
24 tained by a law enforcement agency;
25 and

1 “(II) classified information.

2 “(E) CLASSIFIED INFORMATION.—No re-
3 port required under subparagraph (A) may con-
4 tain classified information.

5 “(8) DEFINITION.—In this subsection, the term
6 ‘Federal functional regulator’ has the meaning given
7 the term in section 6003 of the Anti-Money Laun-
8 dering Act of 2020.”.

9 **SEC. 6108. FOREIGN FINANCIAL INTELLIGENCE UNIT LIAI-**
10 **SONS.**

11 Section 310 of title 31, United States Code, as
12 amended by sections 6103, 6105, and 6107 of this divi-
13 sion, is amended by inserting after subsection (g) the fol-
14 lowing:

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

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

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

24 “(B) possess a technical understanding of
25 the Bank Secrecy Act, the protocols of the

1 Egmont Group of Financial Intelligence Units,
2 and the Financial Action Task Force and the
3 recommendations issued by that Task Force;

4 “(C) be co-located in a United States em-
5 bassy, a similar United States Government fa-
6 cility, or a foreign government facility, as ap-
7 propriate;

8 “(D) facilitate capacity building and per-
9 form outreach with respect to anti-money laun-
10 dering and countering the financing of ter-
11 rorism regulatory and analytical frameworks;

12 “(E) establish and maintain relationships
13 with officials from foreign intelligence units,
14 regulatory authorities, ministries of finance,
15 central banks, law enforcement agencies, and
16 other competent authorities;

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

22 “(G) coordinate with representatives of the
23 Department of Justice at United States Embas-
24 sies who perform similar functions on behalf of
25 the United States Government; and

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

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

6 “(A) the rate of compensation paid to a
7 Foreign Service officer at a comparable career
8 level serving at the same embassy or facility, as
9 applicable; or

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

12 **SEC. 6109. PROTECTION OF INFORMATION EXCHANGED**
13 **WITH FOREIGN LAW ENFORCEMENT AND FI-**
14 **NANCIAL INTELLIGENCE UNITS.**

15 (a) IN GENERAL.—Section 310 of title 31, United
16 States Code, as amended by sections 6103, 6105, 6107,
17 and 6108 of this division, is amended by inserting after
18 subsection (h) the following:

19 “(i) PROTECTION OF INFORMATION OBTAINED BY
20 FOREIGN LAW ENFORCEMENT AND FINANCIAL INTEL-
21 LIGENCE UNITS; FREEDOM OF INFORMATION ACT.—

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

23 “(A) FOREIGN ANTI-MONEY LAUNDERING
24 AND COUNTERING THE FINANCING OF TER-
25 RORISM AUTHORITY.—The term ‘foreign anti-

1 money laundering and countering the financing
2 of terrorism authority’ means any foreign agen-
3 cy or authority that is empowered under foreign
4 law to regulate or supervise foreign financial in-
5 stitutions (or designated non-financial busi-
6 nesses and professions) with respect to laws
7 concerning anti-money laundering and coun-
8 tering the financing of terrorism and prolifera-
9 tion.

10 “(B) FOREIGN FINANCIAL INTELLIGENCE
11 UNIT.—The term ‘foreign financial intelligence
12 unit’ means any foreign agency or authority, in-
13 cluding a foreign financial intelligence unit that
14 is a member of the Egmont Group of Financial
15 Intelligence Units, that is empowered under for-
16 eign law as a jurisdiction’s national center
17 for—

18 “(i) receipt and analysis of suspicious
19 transaction reports and other information
20 relevant to money laundering, associated
21 predicate offenses, and the financing of
22 terrorism; and

23 “(ii) the dissemination of the results
24 of the analysis described in clause (i).

1 “(C) FOREIGN LAW ENFORCEMENT AU-
2 THORITY.—The term ‘foreign law enforcement
3 authority’ means any foreign agency or author-
4 ity that is empowered under foreign law to de-
5 tect, investigate, or prosecute potential viola-
6 tions of law.

7 “(2) INFORMATION EXCHANGED WITH FOREIGN
8 LAW ENFORCEMENT AUTHORITIES, FOREIGN FINAN-
9 CIAL INTELLIGENCE UNITS, AND FOREIGN ANTI-
10 MONEY LAUNDERING AND COUNTERING THE FI-
11 NANCING OF TERRORISM AUTHORITIES.—

12 “(A) IN GENERAL.—The Department of
13 the Treasury may not be compelled to search
14 for or disclose information exchanged with a
15 foreign law enforcement authority, foreign fi-
16 nancial intelligence unit, or foreign anti-money
17 laundering and countering the financing of ter-
18 rorism authority.

19 “(B) INAPPLICABILITY OF FREEDOM OF
20 INFORMATION ACT.—

21 “(i) IN GENERAL.—Section 552(a)(3)
22 of title 5 (commonly known as the ‘Free-
23 dom of Information Act’) shall not apply to
24 any request for records or information ex-
25 changed between the Department of the

1 Treasury and a foreign law enforcement
2 authority, foreign financial intelligence
3 unit, or foreign anti-money laundering and
4 countering the financing of terrorism au-
5 thority.

6 “(ii) SPECIFICALLY EXEMPTED BY
7 STATUTE.—For purposes of section 552 of
8 title 5, this paragraph shall be considered
9 a statute described in subsection (b)(3)(B)
10 of that section.

11 “(C) CLARIFICATION ON INFORMATION
12 LIMITATIONS AND PROTECTIONS.—

13 “(i) IN GENERAL.—The provisions of
14 this paragraph shall apply only to informa-
15 tion necessary to exercise the duties and
16 powers described under subsection (b).

17 “(ii) APPROPRIATE CONFIDENTIALITY,
18 CLASSIFICATION, AND DATA SECURITY RE-
19 QUIREMENTS.—The Secretary, in consulta-
20 tion with the Director, shall ensure that in-
21 formation provided to a foreign law en-
22 forcement authority, foreign financial intel-
23 ligence unit, or foreign anti-money laun-
24 dering and countering the financing of ter-
25 rorism authority, is subject to appropriate

1 confidentiality, classification, and data se-
2 curity requirements.

3 “(3) SAVINGS PROVISION.—Nothing in this sec-
4 tion shall authorize the Department of the Treasury
5 to withhold information from Congress, decline to
6 carry out a search for information requested by Con-
7 gress, or prevent the Department of the Treasury
8 from complying with an order of a court of the
9 United States in an action commenced by the United
10 States.”.

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

14 **SEC. 6110. BANK SECRECY ACT APPLICATION TO DEALERS**
15 **IN ANTIQUITIES AND ASSESSMENT OF BANK**
16 **SECRECY ACT APPLICATION TO DEALERS IN**
17 **ARTS.**

18 (a) BANK SECRECY ACT AMENDMENT.—

19 (1) IN GENERAL.—Section 5312(a)(2) of title
20 31, United States Code, is amended—

21 (A) by redesignating subparagraphs (Y)
22 and (Z) as subparagraphs (Z) and (AA), re-
23 spectively; and

24 (B) by inserting after subparagraph (X)
25 the following:

1 “(Y) a person engaged in the trade of an-
2 tiquities, including an advisor, consultant, or
3 any other person who engages as a business in
4 the solicitation or the sale of antiquities, subject
5 to regulations prescribed by the Secretary;”.

6 (2) EFFECTIVE DATE.—Section 5312(a)(2)(Y)
7 of title 31, United States Code, as added by para-
8 graph (1), shall take effect on the effective date of
9 the final rules issued by the Secretary of the Treas-
10 ury pursuant to subsection (b).

11 (b) RULEMAKING.—

12 (1) IN GENERAL.—Not later than 360 days
13 after the date of enactment of this Act, the Sec-
14 retary of the Treasury shall issue proposed rules to
15 carry out the amendments made by subsection (a).

16 (2) CONSIDERATIONS.—Before issuing a pro-
17 posed rule under paragraph (1), the Secretary of the
18 Treasury (acting through the Director of the
19 FinCEN), in coordination with the Federal Bureau
20 of Investigation, the Attorney General, and Home-
21 land Security Investigations, shall consider—

22 (A) the appropriate scope for the rule-
23 making, including determining which persons
24 should be subject to the rulemaking, by size,

1 type of business, domestic or international geo-
2 graphical locations, or otherwise;

3 (B) the degree to which the regulations
4 should focus on high-value trade in antiquities,
5 and on the need to identify the actual pur-
6 chasers of such antiquities, in addition to the
7 agents or intermediaries acting for or on behalf
8 of such purchasers;

9 (C) the need, if any, to identify persons
10 who are dealers, advisors, consultants, or any
11 other persons who engage as a business in the
12 trade in antiquities;

13 (D) whether thresholds should apply in de-
14 termining which persons to regulate;

15 (E) whether certain exemptions should
16 apply to the regulations; and

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

19 (c) STUDY OF THE FACILITATION OF MONEY LAUN-
20 DERING AND TERROR FINANCE THROUGH THE TRADE IN
21 WORKS OF ART.—The Secretary, in coordination with the
22 Director of the Federal Bureau of Investigation, the At-
23 torney General, and the Secretary of Homeland Security,
24 shall perform a study of the facilitation of money laun-

1 dering and the financing of terrorism through the trade
2 in works of art, including an analysis of—

3 (1) the extent to which the facilitation of money
4 laundering and terror finance through the trade in
5 works of art may enter or affect the financial system
6 of the United States, including any qualitative or
7 quantitative data or statistics;

8 (2) an evaluation of which markets, by size, en-
9 tity type, domestic or international geographical lo-
10 cations, or otherwise, should be subject to any regu-
11 lations;

12 (3) the degree to which the regulations, if any,
13 should focus on high-value trade in works of art, and
14 on the need to identify the actual purchasers of such
15 works, in addition to the agents or intermediaries
16 acting for or on behalf of such purchasers;

17 (4) the need, if any, to identify persons who are
18 dealers, advisors, consultants, or any other persons
19 who engage as a business in the trade in works of
20 art;

21 (5) whether thresholds and definitions should
22 apply in determining which entities, if any, to regu-
23 late;

24 (6) an evaluation of whether certain exemptions
25 should apply;

1 (7) whether information on certain transactions
2 in the trade in works of art has a high degree of
3 usefulness in criminal, tax, or regulatory matters;
4 and

5 (8) any other matter the Secretary determines
6 is appropriate.

7 (d) REPORT.—Not later than 360 days after the date
8 of enactment of this Act, the Secretary, in coordination
9 with the Director of the Federal Bureau of Investigation,
10 the Attorney General, and the Secretary of Homeland Se-
11 curity, shall submit to the Committee on Banking, Hous-
12 ing, and Urban Affairs of the Senate and the Committee
13 on Financial Services of the House of Representatives a
14 report that contains all findings and determinations made
15 in carrying out the study required under subsection (c).

16 (e) TECHNICAL AND CONFORMING AMENDMENTS.—

17 (1) The Comprehensive Iran Sanctions, Ac-
18 countability, and Divestment Act of 2010 (22 U.S.C.
19 8501 et seq.) is amended—

20 (A) in section 104(i)(1)(C) (22 U.S.C.
21 8513(i)(1)(C)), by striking “(Y)” and inserting
22 “(Z)”; and

23 (B) in section 104A(d)(1) (22 U.S.C.
24 8513b(d)(1)), by striking “(Y)” and inserting
25 “(Z)”.

1 (2) Section 2(4) of the Ukraine Freedom Sup-
2 port Act of 2014 (22 U.S.C. 8921(4)) is amended
3 by striking “(Y)” and inserting “(Z)”.

4 **SEC. 6111. INCREASING TECHNICAL ASSISTANCE FOR**
5 **INTERNATIONAL COOPERATION.**

6 (a) AUTHORIZATION OF APPROPRIATIONS.—

7 (1) IN GENERAL.—There is authorized to be
8 appropriated to the Secretary for the purpose de-
9 scribed in paragraph (2) \$60,000,000 for each of
10 fiscal years 2020 through 2024.

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

20 (3) SENSE OF CONGRESS.—It is the sense of
21 Congress that this subsection could affect a number
22 of Federal agencies and departments and the Sec-
23 retary should, as appropriate, consult with the heads
24 of those affected agencies and departments, includ-

1 ing the Attorney General, in providing the technical
2 assistance required under this subsection.

3 (b) REPORT ON TECHNICAL ASSISTANCE PROVIDED
4 BY OFFICE OF TECHNICAL ASSISTANCE.—

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

11 (2) ELEMENTS.—Each report required under
12 paragraph (1) shall include—

13 (A) a description of the strategic goals of
14 the Office of Technical Assistance in the year
15 preceding submission of the report, including an
16 explanation of how technical assistance provided
17 by the Office in that year advanced those goals;

18 (B) a description of technical assistance
19 provided by the Office in that year, including
20 the objectives and delivery methods of the as-
21 sistance;

22 (C) a list of beneficiaries and providers
23 (other than Office staff) of the technical assist-
24 ance during that year; and

25 (D) a description of how—

- 1 (i) technical assistance provided by
2 the Office complements, duplicates, or oth-
3 erwise affects or is affected by technical
4 assistance provided by the international fi-
5 nancial institutions (as defined in section
6 1701(c) of the International Financial In-
7 stitutions Act (22 U.S.C. 262r(c))); and
8 (ii) efforts to coordinate the technical
9 assistance described in clause (i).

10 **SEC. 6112. INTERNATIONAL COORDINATION.**

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

21 (b) SUPPORT FOR STRENGTHENING THE CAPACITY
22 OF THE INTERNATIONAL MONETARY FUND TO PREVENT
23 MONEY LAUNDERING AND THE FINANCING OF TER-
24 RORISM.—Section 7125 of the Otto Warmbier North
25 Korea Nuclear Sanctions and Enforcement Act of 2019

1 (title LXXI of division F of Public Law 116–92; 133 Stat.
2 2249) is amended—

3 (1) in subsection (b), by striking “5” and in-
4 serting “6”; and

5 (2) in subsection (c), by striking “2023” and
6 inserting “2024”.

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

Sec. 6201. Annual reporting requirements.

Sec. 6202. Additional considerations for suspicious activity reporting require-
ments.

Sec. 6203. Law enforcement feedback on suspicious activity reports.

Sec. 6204. Streamlining requirements for currency transaction reports and sus-
picious activity reports.

Sec. 6205. Currency transaction reports and suspicious activity reports thresh-
olds review.

Sec. 6206. Sharing of threat pattern and trend information.

Sec. 6207. Subcommittee on Innovation and Technology.

Sec. 6208. Establishment of Bank Secrecy Act Innovation Officers.

Sec. 6209. Testing methods rulemaking.

Sec. 6210. Financial technology assessment.

Sec. 6211. Financial crimes tech symposium.

Sec. 6212. Pilot program on sharing of information related to suspicious activ-
ity reports within a financial group.

Sec. 6213. Sharing of compliance resources.

Sec. 6214. Encouraging information sharing and public-private partnerships.

Sec. 6215. Financial services de-risking.

Sec. 6216. Review of regulations and guidance.

12 **SEC. 6201. ANNUAL REPORTING REQUIREMENTS.**

13 (a) **ANNUAL REPORT.**—Not later than 1 year after
14 the date of enactment of this Act, and annually thereafter,
15 the Attorney General, in consultation with the Secretary,
16 Federal law enforcement agencies, the Director of Na-

1 tional Intelligence, Federal functional regulators, and the
2 heads of other appropriate Federal agencies, shall submit
3 to the Secretary a report that contains statistics, metrics,
4 and other information on the use of data derived from fi-
5 nancial institutions reporting under the Bank Secrecy Act
6 (referred to in this subsection as the “reported data”), in-
7 cluding—

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

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

13 (B) actions taken by intelligence, national
14 security, or homeland security agencies;

15 (2) calculations of the time between the date on
16 which the reported data is reported and the date on
17 which the reported data is used by law enforcement,
18 intelligence, national security, or homeland security
19 agencies, whether through the use of—

20 (A) a subpoena or warrant; or

21 (B) other legal process or action;

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

1 (A) the suspicious accounts that are the
2 subject of the reported data were held by legal
3 entities or individuals; and

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

6 (4) the number of legal entities and individuals
7 identified by the reported data;

8 (5) information on the extent to which arrests,
9 indictments, convictions, criminal pleas, civil enforce-
10 ment or forfeiture actions, or actions by national se-
11 curity, intelligence, or homeland security agencies
12 were related to the use of the reported data; and

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

16 (b) REPORT.—Beginning with the fifth report sub-
17 mitted under subsection (a), and once every 5 years there-
18 after, that report shall include a section describing the use
19 of data derived from reporting by financial institutions
20 under the Bank Secrecy Act over the 5 years preceding
21 the date on which the report is submitted, which shall in-
22 clude a description of long-term trends and the use of
23 long-term statistics, metrics, and other information.

24 (c) TRENDS, PATTERNS, AND THREATS.—Each re-
25 port required under subsection (a) and each section in-

1 cluded under subsection (b) shall contain a description of
2 retrospective trends and emerging patterns and threats in
3 money laundering and the financing of terrorism, includ-
4 ing national and regional trends, patterns, and threats rel-
5 evant to the classes of financial institutions that the Attor-
6 ney General determines appropriate.

7 (d) USE OF REPORT INFORMATION.—The Secretary
8 shall use the information reported under subsections (a),
9 (b), and (c)—

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

12 (A) criminal and civil law enforcement
13 agencies;

14 (B) intelligence, defense, and homeland se-
15 curity agencies; and

16 (C) Federal functional regulators;

17 (2) to enhance feedback and communications
18 with financial institutions and other entities subject
19 to requirements under the Bank Secrecy Act, includ-
20 ing by providing more detail in the reports published
21 and distributed under section 314(d) of the USA
22 PATRIOT Act (31 U.S.C. 5311 note);

23 (3) to assist FinCEN in considering revisions to
24 the reporting requirements promulgated under sec-

1 tion 314(d) of the USA PATRIOT Act (31 U.S.C.
2 5311 note); and

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

5 (e) CONFIDENTIALITY.—Any information received by
6 a financial institution under this section shall be subject
7 to confidentiality requirements established by the Sec-
8 retary.

9 **SEC. 6202. ADDITIONAL CONSIDERATIONS FOR SUSPICIOUS**
10 **ACTIVITY REPORTING REQUIREMENTS.**

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

13 “(5) CONSIDERATIONS IN IMPOSING REPORTING
14 REQUIREMENTS.—

15 “(A) DEFINITIONS.—In this paragraph,
16 the terms ‘Bank Secrecy Act’, ‘Federal func-
17 tional regulator’, ‘State bank supervisor’, and
18 ‘State credit union supervisor’ have the mean-
19 ings given the terms in section 6003 of the
20 Anti-Money Laundering Act of 2020.

21 “(B) REQUIREMENTS.—In imposing any
22 requirement to report any suspicious trans-
23 action under this subsection, the Secretary of
24 the Treasury, in consultation with the Attorney
25 General, appropriate representatives of State

1 bank supervisors, State credit union super-
2 visors, and the Federal functional regulators,
3 shall consider items that include—

4 “(i) the national priorities established
5 by the Secretary;

6 “(ii) the purposes described in section
7 5311; and

8 “(iii) the means by or form in which
9 the Secretary shall receive such reporting,
10 including the burdens imposed by such
11 means or form of reporting on persons re-
12 quired to provide such reporting, the effi-
13 ciency of the means or form, and the bene-
14 fits derived by the means or form of re-
15 porting by Federal law enforcement agen-
16 cies and the intelligence community in
17 countering financial crime, including
18 money laundering and the financing of ter-
19 rorism.

20 “(C) COMPLIANCE PROGRAM.—Reports
21 filed under this subsection shall be guided by
22 the compliance program of a covered financial
23 institution with respect to the Bank Secrecy
24 Act, including the risk assessment processes of
25 the covered institution that should include a

1 consideration of priorities established by the
2 Secretary of the Treasury under section 5318.

3 “(D) STREAMLINED DATA AND REAL-TIME
4 REPORTING.—

5 “(i) REQUIREMENT TO ESTABLISH
6 SYSTEM.—In considering the means by or
7 form in which the Secretary of the Treas-
8 ury shall receive reporting pursuant to
9 subparagraph (B)(iii), the Secretary of the
10 Treasury, acting through the Director of
11 the Financial Crimes Enforcement Net-
12 work, and in consultation with appropriate
13 representatives of the State bank super-
14 visors, State credit union supervisors, and
15 Federal functional regulators, shall—

16 “(I) establish streamlined, includ-
17 ing automated, processes to, as appro-
18 priate, permit the filing of noncomplex
19 categories of reports that—

20 “(aa) reduce burdens im-
21 posed on persons required to re-
22 port; and

23 “(bb) do not diminish the
24 usefulness of the reporting to
25 Federal law enforcement agen-

1 cies, national security officials,
2 and the intelligence community
3 in combating financial crime, in-
4 cluding the financing of ter-
5 rorism;

6 “(II) subject to clause (ii)—

7 “(aa) permit streamlined,
8 including automated, reporting
9 for the categories described in
10 subclause (I); and

11 “(bb) establish the condi-
12 tions under which the reporting
13 described in item (aa) is per-
14 mitted; and

15 “(III) establish additional sys-
16 tems and processes as necessary to
17 allow for the reporting described in
18 subclause (II)(aa).

19 “(ii) STANDARDS.—The Secretary of
20 the Treasury—

21 “(I) in carrying out clause (i),
22 shall establish standards to ensure
23 that streamlined reports relate to sus-
24 picious transactions relevant to poten-

1 tial violations of law (including regula-
2 tions); and

3 “(II) in establishing the stand-
4 ards under subclause (I), shall con-
5 sider transactions, including struc-
6 tured transactions, designed to evade
7 any regulation promulgated under this
8 subchapter, certain fund and asset
9 transfers with little or no apparent
10 economic or business purpose, trans-
11 actions without lawful purposes, and
12 any other transaction that the Sec-
13 retary determines to be appropriate.

14 “(iii) RULE OF CONSTRUCTION.—
15 Nothing in this subparagraph may be con-
16 strued to preclude the Secretary of the
17 Treasury from—

18 “(I) requiring reporting as pro-
19 vided for in subparagraphs (B) and
20 (C); or

21 “(II) notifying Federal law en-
22 forcement with respect to any trans-
23 action that the Secretary has deter-
24 mined implicates a national priority
25 established by the Secretary.”.

1 **SEC. 6203. LAW ENFORCEMENT FEEDBACK ON SUSPICIOUS**
2 **ACTIVITY REPORTS.**

3 (a) FEEDBACK.—

4 (1) IN GENERAL.—FinCEN shall, to the extent
5 practicable, periodically solicit feedback from individ-
6 uals designated under section 5318(h)(1)(B) of title
7 31, United States Code, by a variety of financial in-
8 stitutions representing a cross-section of the report-
9 ing industry to review the suspicious activity reports
10 filed by those financial institutions and discuss
11 trends in suspicious activity observed by FinCEN.

12 (2) COORDINATION WITH FEDERAL FUNC-
13 TIONAL REGULATORS AND STATE BANK SUPER-
14 VISORS AND STATE CREDIT UNION SUPERVISORS.—

15 FinCEN shall provide any feedback solicited under
16 paragraph (1) to the appropriate Federal functional
17 regulator, State bank supervisor, or State credit
18 union supervisor during the regularly scheduled ex-
19 amination of the applicable financial institution by
20 the Federal functional regulator, State bank super-
21 visor, or State credit union supervisor, as applicable.

22 (b) DISCLOSURE REQUIRED.—

23 (1) IN GENERAL.—

24 (A) PERIODIC DISCLOSURE.—Except as
25 provided in paragraph (2), FinCEN shall, to
26 the extent practicable, periodically disclose to

1 each financial institution, in summary form, in-
2 formation on suspicious activity reports filed
3 that proved useful to Federal or State criminal
4 or civil law enforcement agencies during the pe-
5 riod since the most recent disclosure under this
6 paragraph to the financial institution.

7 (B) RULE OF CONSTRUCTION.—Nothing in
8 this paragraph may be construed to require the
9 public disclosure of any information filed with
10 the Department of the Treasury under the
11 Bank Secrecy Act.

12 (2) EXCEPTION FOR ONGOING OR CLOSED IN-
13 VESTIGATIONS AND TO PROTECT NATIONAL SECUR-
14 ITY.—FinCEN shall not be required to disclose to
15 a financial institution any information under para-
16 graph (1) that relates to an ongoing or closed inves-
17 tigation or implicates the national security of the
18 United States.

19 (3) MAINTENANCE OF STATISTICS.—With re-
20 spect to the actions described in paragraph (1),
21 FinCEN shall keep records of all such actions taken
22 to assist with the production of the reports described
23 in paragraph (5) of section 5318(g) of title 31,
24 United States Code, as added by section 6202 of
25 this division, and for other purposes.

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

5 (A) the review and use by the Department
6 of suspicious activity reports filed by the appli-
7 cable financial institution during the period
8 since the most recent disclosure under this sub-
9 section; and

10 (B) any trends in suspicious activity ob-
11 served by the Department.

12 **SEC. 6204. STREAMLINING REQUIREMENTS FOR CURRENCY**
13 **TRANSACTION REPORTS AND SUSPICIOUS**
14 **ACTIVITY REPORTS.**

15 (a) REVIEW.—The Secretary, in consultation with the
16 Attorney General, Federal law enforcement agencies, the
17 Secretary of Homeland Security, the Federal functional
18 regulators, State bank supervisors, State credit union su-
19 pervisors, and other relevant stakeholders, shall undertake
20 a formal review of the financial institution reporting re-
21 quirements relating to currency transaction reports and
22 suspicious activity reports, as in effect on the date of en-
23 actment of this Act, including the processes used to sub-
24 mit reports under the Bank Secrecy Act, regulations im-
25 plementing the Bank Secrecy Act, and related guidance,

1 and propose changes to those reports to reduce any unne-
2 cessarily burdensome regulatory requirements and ensure
3 that the information provided fulfills the purposes de-
4 scribed in section 5311 of title 31, United States Code,
5 as amended by section 6101(a) of this division.

6 (b) CONTENTS.—The review required under sub-
7 section (a) shall—

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

11 (2) include a review of—

12 (A) whether the circumstances under
13 which a financial institution determines whether
14 to file a continuing suspicious activity report,
15 including insider abuse, or the processes fol-
16 lowed by a financial institution in determining
17 whether to file a continuing suspicious activity
18 report, or both, should be streamlined or other-
19 wise adjusted;

20 (B) whether different thresholds should
21 apply to different categories of activities;

22 (C) the fields designated as critical on the
23 suspicious activity report form, the fields on the
24 currency transaction report form, and whether

1 the number or nature of the fields on those
2 forms should be adjusted;

3 (D) the categories, types, and characteris-
4 tics of suspicious activity reports and currency
5 transaction reports that are of the greatest
6 value to, and that best support, investigative
7 priorities of law enforcement and national secu-
8 rity agencies;

9 (E) the increased use or expansion of ex-
10 emption provisions to reduce currency trans-
11 action reports that may be of little or no value
12 to the efforts of law enforcement agencies;

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

24 (G) the current financial institution report-
25 ing requirements under the Bank Secrecy Act

1 and regulations and guidance implementing the
2 Bank Secrecy Act;

3 (H) whether the process for the electronic
4 submission of reports could be improved for
5 both financial institutions and law enforcement
6 agencies, including by allowing greater integra-
7 tion between financial institution systems and
8 the electronic filing system to allow for auto-
9 matic population of report fields and the auto-
10 matic submission of transaction data for sus-
11 picious transactions, without bypassing the obli-
12 gation of each reporting financial institution to
13 assess the specific risk of the transactions re-
14 ported;

15 (I) the appropriate manner in which to en-
16 sure the security and confidentiality of personal
17 information;

18 (J) how to improve the cross-referencing of
19 individuals or entities operating at multiple fi-
20 nancial institutions and across international
21 borders;

22 (K) whether there are ways to improve
23 currency transaction report aggregation for en-
24 tities with common ownership;

1 (L) whether financial institutions should
2 be permitted to streamline or otherwise adjust,
3 with respect to particular types of customers or
4 transactions, the process for determining
5 whether activity is suspicious or the information
6 included in the narrative of a suspicious activity
7 report; and

8 (M) any other matter the Secretary deter-
9 mines is appropriate.

10 (c) REPORT.—Not later than 1 year after the date
11 of enactment of this Act, the Secretary, in consultation
12 with the Attorney General, Federal law enforcement agen-
13 cies, the Director of National Intelligence, the Secretary
14 of Homeland Security, and the Federal functional regu-
15 lators, shall—

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

19 (2) propose rulemakings, as appropriate, to im-
20 plement the findings and determinations described in
21 paragraph (1).

1 **SEC. 6205. CURRENCY TRANSACTION REPORTS AND SUS-**
2 **PICIOUS ACTIVITY REPORTS THRESHOLDS**
3 **REVIEW.**

4 (a) REVIEW OF THRESHOLDS FOR CERTAIN CUR-
5 RENCY TRANSACTION REPORTS AND SUSPICIOUS ACTIV-
6 ITY REPORTS.—The Secretary, in consultation with the
7 Attorney General, the Director of National Intelligence,
8 the Secretary of Homeland Security, the Federal func-
9 tional regulators, State bank supervisors, State credit
10 union supervisors, and other relevant stakeholders, shall
11 review and determine whether the dollar thresholds, in-
12 cluding aggregate thresholds, under sections 5313,
13 5318(g), and 5331 of title 31, United States Code, includ-
14 ing regulations issued under those sections, should be ad-
15 justed.

16 (b) CONSIDERATIONS.—In making the determina-
17 tions required under subsection (a), the Secretary, in con-
18 sultation with the Attorney General, the Director of Na-
19 tional Intelligence, the Secretary of Homeland Security,
20 the Federal functional regulators, State bank supervisors,
21 State credit union supervisors, and other relevant stake-
22 holders, shall—

23 (1) rely substantially on information obtained
24 through the BSA Data Value Analysis Project con-
25 ducted by FinCEN and on information obtained
26 through the Currency Transaction Report analyses

1 conducted by the Comptroller General of the United
2 States; and

3 (2) consider—

4 (A) the effects that adjusting the thresh-
5 olds would have on law enforcement, intel-
6 ligence, national security, and homeland secu-
7 rity agencies;

8 (B) the costs likely to be incurred or saved
9 by financial institutions from any adjustment to
10 the thresholds;

11 (C) whether adjusting the thresholds would
12 better conform the United States with inter-
13 national norms and standards to counter money
14 laundering and the financing of terrorism;

15 (D) whether currency transaction report
16 thresholds should be tied to inflation or other-
17 wise be adjusted based on other factors con-
18 sistent with the purposes of the Bank Secrecy
19 Act;

20 (E) any other matter that the Secretary
21 determines is appropriate.

22 (c) REPORT AND RULEMAKINGS.—Not later than 1
23 year after the date of enactment of this Act, the Secretary,
24 in consultation with the Attorney General, the Director
25 of National Intelligence, the Secretary of Homeland Secu-

1 rity, the Federal functional regulators, State bank super-
2 visors, State credit union supervisors, and other relevant
3 stakeholders, shall—

4 (1) publish a report of the findings from the re-
5 view required under subsection (a); and

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

9 (d) UPDATES.—Not less frequently than once every
10 5 years during the 10-year period beginning on the date
11 of enactment of this Act, the Secretary shall—

12 (1) evaluate findings and rulemakings described
13 in subsection (c); and

14 (2) transmit a written summary of the evalua-
15 tion to the Committee on Financial Services of the
16 House of Representatives and the Committee on
17 Banking, Housing, and Urban Affairs of the Senate;
18 and

19 (3) propose rulemakings, as appropriate, in re-
20 sponse to the evaluation required under paragraph
21 (1).

1 **SEC. 6206. SHARING OF THREAT PATTERN AND TREND IN-**
2 **FORMATION.**

3 Section 5318(g) of title 31, United States Code, as
4 amended by section 6202 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 6003
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. 6207. 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 6003 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, including, as appropriate,
5 the Bank Secrecy Act Innovation Officers as es-
6 tablished in section 6208 of the Anti-Money
7 Laundering Act of 2020, a representative of
8 State bank supervisors, a representative of
9 State credit union supervisors, representatives
10 of a cross-section of financial institutions sub-
11 ject to the Bank Secrecy Act, law enforcement,
12 FinCEN, and any other representative as deter-
13 mined by the Secretary of the Treasury.

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

19 “(4) SUNSET.—

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

1 “(B) EXCEPTION.—The Secretary of the
2 Treasury may renew the Subcommittee on In-
3 novation for 1-year periods beginning on the
4 date that is 5 years after the date of enactment
5 of this subsection.”.

6 **SEC. 6208. ESTABLISHMENT OF BANK SECRECY ACT INNO-**
7 **VATION OFFICERS.**

8 (a) APPOINTMENT OF OFFICERS.—Not later than 1
9 year after the effective date of the regulations promul-
10 gated under subsection (d) of section 310 of title 31,
11 United States Code, as added by section 6103 of this divi-
12 sion, an Innovation Officer shall be appointed within
13 FinCEN and each Federal functional regulator.

14 (b) INNOVATION OFFICER.—The Innovation Officer
15 shall be appointed by, and report to, the Director of
16 FinCEN or the head of the Federal functional regulator,
17 as applicable.

18 (c) DUTIES.—Each Innovation Officer, in coordina-
19 tion with other Innovation Officers and the agencies of
20 the Innovation Officers, shall—

21 (1) provide outreach to law enforcement agen-
22 cies, State bank supervisors, financial institutions
23 and associations of financial institutions, agents of
24 financial institutions, and other persons (including
25 service providers, vendors and technology companies)

1 with respect to innovative methods, processes, and
2 new technologies that may assist in compliance with
3 the requirements of the Bank Secrecy Act;

4 (2) provide technical assistance or guidance re-
5 lating to the implementation of responsible innova-
6 tion and new technology by financial institutions and
7 associations of financial institutions, agents of finan-
8 cial institutions, and other persons (including service
9 providers, vendors and technology companies), in a
10 manner that complies with the requirements of the
11 Bank Secrecy Act;

12 (3) if appropriate, explore opportunities for
13 public-private partnerships; and

14 (4) if appropriate, develop metrics of success.

15 **SEC. 6209. TESTING METHODS RULEMAKING.**

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

19 “(o) TESTING.—

20 “(1) IN GENERAL.—The Secretary of the
21 Treasury, in consultation with the head of each
22 agency to which the Secretary has delegated duties
23 or powers under subsection (a), shall issue a rule to
24 specify with respect to technology and related tech-
25 nology internal processes designed to facilitate com-

1 pliance with the requirements under this subchapter,
2 the standards by which financial institutions are to
3 test the technology and related technology internal
4 processes.

5 “(2) STANDARDS.—The standards described in
6 paragraph (1) may include—

7 “(A) an emphasis on using innovative ap-
8 proaches such as machine learning or other en-
9 hanced data analytics processes;

10 “(B) risk-based testing, oversight, and
11 other risk management approaches of the re-
12 gime, prior to and after implementation, to fa-
13 cilitate calibration of relevant systems and pru-
14 dently evaluate and monitor the effectiveness of
15 their implementation;

16 “(C) specific criteria for when and how
17 risk-based testing against existing processes
18 should be considered to test and validate the ef-
19 fectiveness of relevant systems and situations
20 and standards for when other risk management
21 processes, including those developed by or
22 through third party risk and compliance man-
23 agement systems, and oversight may be more
24 appropriate;

1 “(D) specific standards for a risk govern-
2 ance framework for financial institutions to pro-
3 vide oversight and to prudently evaluate and
4 monitor systems and testing processes both pre-
5 and post-implementation;

6 “(E) requirements for appropriate data
7 privacy and information security; and

8 “(F) a requirement that the system con-
9 figurations, including any applicable algorithms
10 and any validation of those configurations used
11 by the regime be disclosed to the Financial
12 Crimes Enforcement Network and the appro-
13 priate Federal functional regulator upon re-
14 quest.

15 “(3) CONFIDENTIALITY OF ALGORITHMS.—

16 “(A) IN GENERAL.—If a financial institu-
17 tion or any director, officer, employee, or agent
18 of any financial institution, voluntarily or pur-
19 suant to this subsection or any other authority,
20 discloses the algorithms of the financial institu-
21 tion to a government agency, the algorithms
22 and any materials associated with the creation
23 or adaption of such algorithms shall be consid-
24 ered confidential and not subject to public dis-
25 closure.

1 “(B) FREEDOM OF INFORMATION ACT.—
2 Section 552(a)(3) of title 5 (commonly known
3 as the ‘Freedom of Information Act’) shall not
4 apply to any request for algorithms described in
5 subparagraph (A) and any materials associated
6 with the creation or adaptation of the algo-
7 rithms.

8 “(4) DEFINITION.—In this subsection, the term
9 ‘Federal functional regulator’ means—

10 “(A) the Board of Governors of the Fed-
11 eral Reserve System;

12 “(B) the Office of the Comptroller of the
13 Currency;

14 “(C) the Federal Deposit Insurance Cor-
15 poration;

16 “(D) the National Credit Union Adminis-
17 tration;

18 “(E) the Securities and Exchange Commis-
19 sion; and

20 “(F) the Commodity Futures Trading
21 Commission.”.

22 (b) UPDATE OF MANUAL.—The Financial Institu-
23 tions Examination Council shall ensure that any manual
24 prepared by the Council is—

1 (1) updated to reflect the rulemaking required
2 by subsection (o) section 5318 of title 31, United
3 States Code, as added by subsection (a) of this sec-
4 tion; and

5 (2) consistent with relevant FinCEN and Fed-
6 eral functional regulator guidance, including the De-
7 cember 2018 Joint Statement on Innovative Efforts
8 to Combat Money Laundering and Terrorist Financ-
9 ing.

10 **SEC. 6210. FINANCIAL TECHNOLOGY ASSESSMENT.**

11 (a) IN GENERAL.—The Secretary, in consultation
12 with financial regulators, technology experts, national se-
13 curity experts, law enforcement, and any other group the
14 Secretary determines is appropriate, shall analyze the im-
15 pact of financial technology on financial crimes compli-
16 ance, including with respect to money laundering, the fi-
17 nancing of terrorism, proliferation finance, serious tax
18 fraud, trafficking, sanctions evasion, and other illicit fi-
19 nance.

20 (b) COORDINATION.—In carrying out the duties re-
21 quired under this section, the Secretary shall consult with
22 relevant agency officials and consider other interagency ef-
23 forts and data relating to examining the impact of finan-
24 cial technology, including activities conducted by—

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

3 (2) cyber security experts identified by the At-
4 torney General and the Secretary of Homeland Se-
5 curity;

6 (3) the intelligence community; and

7 (4) the Financial Stability Oversight Council.

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

16 **SEC. 6211. FINANCIAL CRIMES TECH SYMPOSIUM.**

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

18 (1) promote greater international collaboration
19 in the effort to prevent and detect financial crimes
20 and suspicious activities; and

21 (2) facilitate the investigation, development,
22 and timely adoption of new technologies aimed at
23 preventing and detecting financial crimes and other
24 illicit activities.

1 (b) PERIODIC MEETINGS.—The Secretary shall, in
2 coordination with the Subcommittee on Innovation and
3 Technology established under subsection (d) of section
4 1564 of the Annunzio-Wylie Anti-Money Laundering Act,
5 as added by section 6207 of this division, periodically con-
6 vene a global anti-money laundering and financial crime
7 symposium focused on how new technology can be used
8 to more effectively combat financial crimes and other illicit
9 activities.

10 (c) ATTENDEES.—Attendees at each symposium con-
11 vened under this section shall include domestic and inter-
12 national financial regulators, senior executives from regu-
13 lated firms, technology providers, representatives from law
14 enforcement and national security agencies, academic and
15 other experts, and other individuals that the Secretary de-
16 termines are appropriate.

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

21 (e) IMPLEMENTATION AND REPORTS.—The Sec-
22 retary shall, to the extent practicable and necessary, work
23 to provide policy clarity, which may include providing re-
24 ports or guidance to stakeholders, regarding innovative
25 technologies and practices presented at each symposium

1 convened under this section, to the extent that those tech-
2 nologies and practices further the purposes of this section.

3 (f) FINCEN BRIEFING.—Not later than 90 days
4 after the date of enactment of this Act, the Director of
5 FinCEN shall brief the Committee on Banking, Housing,
6 and Urban Affairs of the Senate and the Committee on
7 Financial Services of the House of Representatives on the
8 use of emerging technologies, including—

9 (1) the status of implementation and internal
10 use of emerging technologies, including artificial in-
11 telligence, digital identity technologies, distributed
12 ledger technologies, and other innovative tech-
13 nologies within FinCEN;

14 (2) whether artificial intelligence, digital iden-
15 tity technologies, distributed ledger technologies, and
16 other innovative technologies can be further lever-
17 aged to make data analysis by FinCEN more effi-
18 cient and effective;

19 (3) whether FinCEN could better use artificial
20 intelligence, digital identity technologies, distributed
21 ledger technologies, and other innovative tech-
22 nologies to—

23 (A) more actively analyze and disseminate
24 the information FinCEN collects and stores to
25 provide investigative leads to Federal, State,

1 Tribal, and local law enforcement agencies and
2 other Federal agencies; and

3 (B) better support ongoing investigations
4 by FinCEN when referring a case to the agen-
5 cies described in subparagraph (A);

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

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

21 (6) any other matter the Director determines is
22 appropriate.

1 **SEC. 6212. PILOT PROGRAM ON SHARING OF INFORMATION**
2 **RELATED TO SUSPICIOUS ACTIVITY REPORTS**
3 **WITHIN A FINANCIAL GROUP.**

4 (a) SHARING WITH FOREIGN BRANCHES AND AF-
5 FILIATES.—Section 5318(g) of title 31, United States
6 Code, as amended by sections 6202 and 6206 of this divi-
7 sion, is amended by adding at the end the following:

8 “(8) PILOT PROGRAM ON SHARING WITH FOR-
9 EIGN BRANCHES, SUBSIDIARIES, AND AFFILIATES.—

10 “(A) IN GENERAL.—

11 “(i) ISSUANCE OF RULES.—Not later
12 than 1 year after the date of enactment of
13 this paragraph, the Secretary of the Treas-
14 ury shall issue rules, in coordination with
15 the Director of the Financial Crimes En-
16 forcement Network, establishing the pilot
17 program described in subparagraph (B).

18 “(ii) CONSIDERATIONS.—In issuing
19 the rules required under clause (i), the
20 Secretary shall ensure that the sharing of
21 information described in subparagraph
22 (B)—

23 “(I) is limited by the require-
24 ments of Federal and State law en-
25 forcement operations;

1 “(II) takes into account potential
2 concerns of the intelligence commu-
3 nity; and

4 “(III) is subject to appropriate
5 standards and requirements regarding
6 data security and the confidentiality
7 of personally identifiable information.

8 “(B) PILOT PROGRAM DESCRIBED.—The
9 pilot program described in this paragraph
10 shall—

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

21 “(ii) permit the Secretary to consider,
22 implement, and enforce provisions that
23 would hold a foreign affiliate of a United
24 States financial institution liable for the

1 disclosure of information related to reports
2 under this section;

3 “(iii) terminate on the date that is 3
4 years after the date of enactment of this
5 paragraph, except that the Secretary of the
6 Treasury may extend the pilot program for
7 not more than 2 years upon submitting to
8 the Committee on Banking, Housing, and
9 Urban Affairs of the Senate and the Com-
10 mittee on Financial Services of the House
11 of Representatives a report that includes—

12 “(I) a certification that the ex-
13 tension is in the national interest of
14 the United States, with a detailed ex-
15 planation of the reasons that the ex-
16 tension is in the national interest of
17 the United States;

18 “(II) after appropriate consulta-
19 tion by the Secretary with partici-
20 pants in the pilot program, an evalua-
21 tion of the usefulness of the pilot pro-
22 gram, including a detailed analysis of
23 any illicit activity identified or pre-
24 vented as a result of the program; and

1 “(III) a detailed legislative pro-
2 posal providing for a long-term exten-
3 sion of activities under the pilot pro-
4 gram, measures to ensure data secu-
5 rity, and confidentiality of personally
6 identifiable information, including ex-
7 pected budgetary resources for those
8 activities, if the Secretary of the
9 Treasury determines that a long-term
10 extension is appropriate.

11 “(C) PROHIBITION INVOLVING CERTAIN
12 JURISDICTIONS.—

13 “(i) IN GENERAL.—In issuing the
14 rules required under subparagraph (A), the
15 Secretary of the Treasury may not permit
16 a financial institution to share information
17 on reports under this subsection with a
18 foreign branch, subsidiary, or affiliate lo-
19 cated in—

20 “(I) the People’s Republic of
21 China;

22 “(II) the Russian Federation; or

23 “(III) a jurisdiction that—

24 “(aa) is a state sponsor of
25 terrorism;

1 “(bb) is subject to sanctions
2 imposed by the Federal Govern-
3 ment; or

4 “(cc) the Secretary has de-
5 termined cannot reasonably pro-
6 tect the security and confiden-
7 tiality of such information.

8 “(ii) EXCEPTIONS.—The Secretary is
9 authorized to make exceptions, on a case-
10 by-case basis, for a financial institution lo-
11 cated in a jurisdiction listed in subclause
12 (I) or (II) of clause (i), if the Secretary no-
13 tifies the Committee on Banking, Housing,
14 and Urban Affairs of the Senate and the
15 Committee on Financial Services of the
16 House of Representatives that such an ex-
17 ception is in the national security interest
18 of the United States.

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

1 mittee on Financial Services of the House of
2 Representatives on—

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

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

13 “(iii) any recommendations to amend
14 the design of the pilot program.

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

23 “(10) NO OFFSHORING COMPLIANCE.—No fi-
24 nancial institution may establish or maintain any op-
25 eration located outside of the United States the pri-

1 mary purpose of which is to ensure compliance with
2 the Bank Secrecy Act as a result of the sharing
3 granted under this subsection.

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

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

8 “(B) BANK SECRECY ACT; STATE BANK
9 SUPERVISOR; STATE CREDIT UNION SUPER-
10 VISOR.—The terms ‘Bank Secrecy Act’, ‘State
11 bank supervisor’, and ‘State credit union super-
12 visor’ have the meanings given the terms in sec-
13 tion 6003 of the Anti-Money Laundering Act of
14 2020.”.

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

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

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

1 **SEC. 6213. SHARING OF COMPLIANCE RESOURCES.**

2 (a) IN GENERAL.—Section 5318 of title 31, United
3 States Code, as amended by section 6209 of this division,
4 is amended by adding at the end the following:

5 “(p) 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. 6214. 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 illicit finance, including pro-
9 liferation finance and sanctions 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. 6215. FINANCIAL SERVICES DE-RISKING.**

19 (a) SENSE OF CONGRESS.—It is the sense of Con-
20 gress that—

21 (1) providing vital humanitarian and develop-
22 ment assistance and protecting the integrity of the
23 international financial system are complementary
24 goals;

25 (2) nonprofit organizations based in the United
26 States with international activities often face dif-

1 difficulties with financial access, most commonly the
2 inability to send funds internationally through trans-
3 parent, regulated financial channels;

4 (3) without access to timely and predictable
5 banking services, nonprofit organizations, including
6 international development organizations, cannot
7 carry out essential humanitarian activities critical to
8 the survival of those in affected communities;

9 (4) similar access issues are a concern for other
10 underserved individuals and entities such as those
11 sending remittances from the United States to their
12 families overseas and certain domestic and overseas
13 jurisdictions that have experienced curtailed access
14 to cross-border financial services due, in part, to de-
15 risking;

16 (5) the financial exclusion caused by de-risking
17 can ultimately drive money into less transparent,
18 shadow channels through the carrying of cash or use
19 of unlicensed or unregistered money service remit-
20 ters, thus reducing transparency and traceability,
21 which are critical for financial integrity, and can in-
22 crease the risk of money falling into the wrong
23 hands;

24 (6) effective measures are needed to stop the
25 flow of illicit funds and promote the goals of anti-

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

3 (7) anti-money laundering, countering the fi-
4 nancing of terrorism, and sanctions policies are
5 needed that do not unduly hinder or delay the ef-
6 forts of legitimate humanitarian organizations in
7 providing assistance to—

8 (A) meet the needs of civilians facing a hu-
9 manitarian crisis, including enabling govern-
10 ments and humanitarian organizations to pro-
11 vide them with timely access to food, health,
12 and medical care, shelter, and clean drinking
13 water; and

14 (B) prevent or alleviate human suffering,
15 in keeping with requirements of international
16 humanitarian law;

17 (8) anti-money laundering, countering the fi-
18 nancing of terrorism, and sanctions policies must en-
19 sure that the policies do not unduly hinder or delay
20 legitimate access to the international financial sys-
21 tem for underserved individuals, entities, and geo-
22 graphic areas;

23 (9) policies that ensure that incidental, inad-
24 vertent benefits that may indirectly benefit a des-
25 ignated group in the course of delivering life-saving

1 aid to civilian populations are not the primary focus
2 of Federal Government enforcement efforts;

3 (10) policies that encourage financial inclusion,
4 particularly of underserved populations, must remain
5 a priority; and

6 (11) laws, regulations, policies, guidance, and
7 other measures that ensure the integrity of the fi-
8 nancial system through a risk-based approach should
9 be prioritized.

10 (b) GAO DE-RISKING ANALYSIS.—

11 (1) IN GENERAL.—Not later than 1 year after
12 the date of enactment of this Act, the Comptroller
13 General of the United States shall conduct an anal-
14 ysis and submit to Congress a report on financial
15 services de-risking.

16 (2) CONTENTS.—The analysis required under
17 paragraph (1) shall—

18 (A) rely substantially on information ob-
19 tained through prior de-risking analyses con-
20 ducted by the Comptroller General of the
21 United States;

22 (B) consider the many drivers of de-risking
23 as identified by the Financial Action Task
24 Force, including profitability, reputational risk,
25 lower risk appetites of banks, regulatory bur-

1 dens and unclear expectations, and sanctions
2 regimes; and

3 (C) identify options for financial institu-
4 tions handling transactions or accounts for
5 high-risk categories of clients and for mini-
6 mizing the negative effects of anti-money laun-
7 dering and countering the financing of ter-
8 rorism requirements on such individuals and
9 entities and on certain high-risk geographic ju-
10 risdictions, without compromising the effective-
11 ness of Federal anti-money laundering and
12 countering the financing of terrorism require-
13 ments.

14 (c) REVIEW OF DE-RISKING.—

15 (1) DEFINITION.—In this subsection, the term
16 “de-risking” means actions taken by a financial in-
17 stitution to terminate, fail to initiate, or restrict a
18 business relationship with a customer, or a category
19 of customers, rather than manage the risk associ-
20 ated with that relationship consistent with risk-based
21 supervisory or regulatory requirements, due to driv-
22 ers such as profitability, reputational risk, lower risk
23 appetites of banks, regulatory burdens or unclear ex-
24 pectations, and sanctions regimes.

1 (2) REVIEW.—Upon completion of the analysis
2 required under subsection (b), the Secretary, in con-
3 sultation with the Federal functional regulators,
4 State bank supervisors, State credit union super-
5 visors, and appropriate public- and private-sector
6 stakeholders shall—

7 (A) undertake a formal review of the fi-
8 nancial institution reporting requirements, as in
9 effect on the date of enactment of this Act, in-
10 cluding the processes used to submit reports
11 under the Bank Secrecy Act, regulations imple-
12 menting the Bank Secrecy Act, examination
13 standards related to the Bank Secrecy Act, and
14 related guidance; and

15 (B) propose changes, as appropriate, to
16 those requirements and examination standards
17 described in paragraph (1) to reduce any un-
18 necessarily burdensome regulatory requirements
19 and ensure that the information provided ful-
20 fills the purpose described in section 5311 of
21 title 31, United States Code, as amended by
22 this division.

23 (3) CONTENTS.—The review required under
24 paragraph (2) shall—

1 (A) rely substantially on information ob-
2 tained through the de-risking analyses con-
3 ducted by the Comptroller General of the
4 United States; and

5 (B) consider—

6 (i) any adverse consequence of finan-
7 cial institutions de-risking entire categories
8 of relationships, including charities, em-
9 bassy accounts, money services businesses,
10 as defined in section 1010.100 of title 31,
11 Code of Federal Regulations, or a suc-
12 cessor regulation, agents of the financial
13 institutions, countries, international and
14 domestic regions, and respondent banks;

15 (ii) the reasons why financial institu-
16 tions are engaging in de-risking, including
17 the role of domestic and international reg-
18 ulations, standards, and examinations;

19 (iii) the association with and effects of
20 de-risking on money laundering and finan-
21 cial crime actors and activities;

22 (iv) the most appropriate ways to pro-
23 mote financial inclusion, particularly with
24 respect to developing countries, while
25 maintaining compliance with the Bank Se-

1 crecy Act, including an assessment of pol-
2 icy options to—

3 (I) more effectively tailor Federal
4 actions and penalties to the size of
5 foreign financial institutions and any
6 capacity limitations of foreign govern-
7 ments; and

8 (II) reduce compliance costs that
9 may lead to the adverse consequences
10 described in clause (i);

11 (v) formal and informal feedback pro-
12 vided by examiners that may have led to
13 de-risking;

14 (vi) the relationship between resources
15 dedicated to compliance and overall sophis-
16 tication of compliance efforts at entities
17 that may be experiencing de-risking, espe-
18 cially compared to those that have not ex-
19 perienced de-risking;

20 (vii) best practices from the private
21 sector that facilitate correspondent bank-
22 ing relationships; and

23 (viii) other matters that the Secretary
24 determines are appropriate.

1 (4) STRATEGY ON DE-RISKING.—Upon the com-
2 pletion of the review required under this subsection,
3 the Secretary of the Treasury, in consultation with
4 the Federal functional regulators, State bank super-
5 visors, State credit union supervisors, and appro-
6 priate public- and private-sector stakeholders, shall
7 develop a strategy to reduce de-risking and adverse
8 consequences related to de-risking.

9 (5) REPORT.—Not later than 1 year after the
10 completion of the analysis required under subsection
11 (b), the Secretary shall submit to the Committee on
12 Financial Services of the House of Representatives
13 and the Committee on Banking, Housing, and
14 Urban Affairs of the Senate a report containing—

15 (A) all findings and determinations made
16 in carrying out the review required under this
17 subsection; and

18 (B) the strategy developed under para-
19 graph (4).

20 **SEC. 6216. REVIEW OF REGULATIONS AND GUIDANCE.**

21 (a) IN GENERAL.—The Secretary, in consultation
22 with the Federal functional regulators, the Financial Insti-
23 tutions Examination Council, the Attorney General, Fed-
24 eral law enforcement agencies, the Director of National

1 Intelligence, the Secretary of Homeland Security, and the
2 Commissioner of Internal Revenue, shall—

3 (1) undertake a formal review of the regulations
4 implementing the Bank Secrecy Act and guidance
5 related to that Act—

6 (A) to ensure the Department of the
7 Treasury provides, on a continuing basis, for
8 appropriate safeguards to protect the financial
9 system from threats, including money laun-
10 dering and the financing of terrorism and pro-
11 liferation, to national security posed by various
12 forms of financial crime;

13 (B) to ensure that those provisions will
14 continue to require certain reports or records
15 that are highly useful in countering financial
16 crime; and

17 (C) to identify those regulations and guid-
18 ance that—

19 (i) may be outdated, redundant, or
20 otherwise do not promote a risk-based
21 anti-money laundering compliance and
22 countering the financing of terrorism re-
23 gime for financial institutions; or

24 (ii) do not conform with the commit-
25 ments of the United States to meet inter-

1 national standards to combat money laun-
2 dering, financing of terrorism, serious tax
3 fraud, or other financial crimes; and

4 (2) make appropriate changes to the regulations
5 and guidance described in paragraph (1) to improve,
6 as appropriate, the efficiency of those provisions.

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

10 (c) REPORT.—Not later than 1 year after the date
11 of enactment of this Act, the Secretary, in consultation
12 with the Financial Institutions Examination Council, the
13 Federal functional regulators, the Attorney General, Fed-
14 eral law enforcement agencies, the Director of National
15 Intelligence, the Secretary of Homeland Security, and the
16 Commissioner of Internal Revenue, shall submit to Con-
17 gress a report that contains all findings and determina-
18 tions made in carrying out the review required under sub-
19 section (a), including administrative or legislative rec-
20 ommendations.

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

- Sec. 6301. Improved interagency coordination and consultation.
Sec. 6302. Subcommittee on Information Security and Confidentiality.
Sec. 6303. Establishment of Bank Secrecy Act Information Security Officers.
Sec. 6304. FinCEN analytical hub.
Sec. 6305. Assessment of Bank Secrecy Act no-action letters.
Sec. 6306. Cooperation with law enforcement.
Sec. 6307. Training for examiners on anti-money laundering and countering the financing of terrorism.
Sec. 6308. Obtaining foreign bank records from banks with United States correspondent accounts.
Sec. 6309. Additional damages for repeat Bank Secrecy Act violators.
Sec. 6310. Certain violators barred from serving on boards of United States financial institutions.
Sec. 6311. Department of Justice report on deferred and non-prosecution agreements.
Sec. 6312. Return of profits and bonuses.
Sec. 6313. Prohibition on concealment of the source of assets in monetary transactions.
Sec. 6314. Updating whistleblower incentives and protection.

7 **SEC. 6301. IMPROVED INTERAGENCY COORDINATION AND**
8 **CONSULTATION.**

9 Section 5318 of title 31, United States Code, as
10 amended by sections 6209 and 6213(a) of this division,
11 is amended by adding at the end the following:

12 “(q) INTERAGENCY COORDINATION AND CONSULTA-
13 TION.—

14 “(1) IN GENERAL.—The Secretary of the
15 Treasury shall, as appropriate, invite an appropriate
16 State bank supervisor and an appropriate State

1 credit union supervisor to participate in the inter-
2 agency consultation and coordination with the Fed-
3 eral depository institution regulators regarding the
4 development or modification of any rule or regula-
5 tion carrying out this subchapter.

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

8 “(A) affect, modify, or limit the discretion
9 of the Secretary of the Treasury with respect to
10 the methods or forms of interagency consulta-
11 tion and coordination; or

12 “(B) require the Secretary of the Treasury
13 or a Federal depository institution regulator to
14 coordinate or consult with an appropriate State
15 bank supervisor or to invite such supervisor to
16 participate in interagency consultation and co-
17 ordination with respect to a matter, including a
18 rule or regulation, specifically affecting only
19 Federal depository institutions or Federal credit
20 unions.

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

22 “(A) APPROPRIATE STATE BANK SUPER-
23 VISOR.—The term ‘appropriate State bank su-
24 pervisor’ means the Chairman or members of

1 the State Liaison Committee of the Financial
2 Institutions Examination Council.

3 “(B) APPROPRIATE STATE CREDIT UNION
4 SUPERVISOR.—The term ‘appropriate State
5 credit union supervisor’ means the Chairman or
6 members of the State Liaison Committee of the
7 Financial Institutions Examination Council.

8 “(C) FEDERAL CREDIT UNION.—The term
9 ‘Federal credit union’ has the meaning given
10 the term in section 101 of the Federal Credit
11 Union Act (12 U.S.C. 1752).

12 “(D) FEDERAL DEPOSITORY INSTITU-
13 TION.—The term ‘Federal depository institu-
14 tion’ has the meaning given the term in section
15 3 of the Federal Deposit Insurance Act (12
16 U.S.C. 1813).

17 “(E) FEDERAL DEPOSITORY INSTITUTION
18 REGULATORS.—The term ‘Federal depository
19 institution regulator’ means a member of the
20 Financial Institutions Examination Council to
21 which is delegated any authority of the Sec-
22 retary under subsection (a)(1).”.

1 **SEC. 6302. SUBCOMMITTEE ON INFORMATION SECURITY**
2 **AND CONFIDENTIALITY.**

3 Section 1564 of the Annunzio-Wylie Anti-Money
4 Laundering Act (31 U.S.C. 5311 note), as amended by
5 section 6207 of this division, is amended by adding at the
6 end the following:

7 “(e) SUBCOMMITTEE ON INFORMATION SECURITY
8 AND CONFIDENTIALITY.—

9 “(1) IN GENERAL.—There shall be within the
10 Bank Secrecy Act Advisory Group a subcommittee
11 to be known as the Subcommittee on Information
12 Security and Confidentiality (in this subsection re-
13 ferred to as the ‘Subcommittee’) to advise the Sec-
14 retary of the Treasury regarding the information se-
15 curity and confidentiality implications of regulations,
16 guidance, information sharing programs, and the ex-
17 amination for compliance with and enforcement of
18 the provisions of the Bank Secrecy Act.

19 “(2) MEMBERSHIP.—

20 “(A) IN GENERAL.—The Subcommittee
21 shall consist of the representatives of the heads
22 of the Federal functional regulators, including,
23 as appropriate, the Bank Secrecy Act Informa-
24 tion Security Officers as established in section
25 6303 of the Anti-Money Laundering Act of
26 2020, and representatives from financial insti-

1 tutions subject to the Bank Secrecy Act, law
2 enforcement, FinCEN, and any other represent-
3 atives as determined by the Secretary of the
4 Treasury.

5 “(B) REQUIREMENTS.—Each agency rep-
6 resentative described in subparagraph (A) shall
7 be an individual who has demonstrated knowl-
8 edge and competence concerning the application
9 of the Bank Secrecy Act and familiarity with
10 and expertise in applicable laws.

11 “(3) SUNSET.—

12 “(A) IN GENERAL.—Except as provided in
13 subparagraph (B), the Subcommittee shall ter-
14 minate on the date that is 5 years after the
15 date of enactment of this subsection.

16 “(B) EXCEPTION.—The Secretary of the
17 Treasury may renew the Subcommittee for 1-
18 year periods beginning on the date that is 5
19 years after the date of enactment of this sub-
20 section.

21 “(f) 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 6003 of the Anti-Money Laundering Act of 2020.

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

5 “(3) FINCEN.—The term ‘FinCEN’ means the
6 Financial Crimes Enforcement Network of the De-
7 partment of the Treasury.

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

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

15 **SEC. 6303. ESTABLISHMENT OF BANK SECRECY ACT INFOR-**
16 **MATION SECURITY OFFICERS.**

17 (a) APPOINTMENT OF OFFICERS.—Not later than 1
18 year after the effective date of the regulations promul-
19 gated under subsection (d) of section 310 of title 31,
20 United States Code, as added by section 6103 of this divi-
21 sion, a Bank Secrecy Act Information Security Officer
22 shall be appointed, from among individuals with expertise
23 in Federal information security or privacy laws or Bank
24 Secrecy Act disclosure policies and procedures—

1 (1) within each Federal functional regulator, by
2 the head of the Federal functional regulator;

3 (2) within FinCEN, by the Director of
4 FinCEN; and

5 (3) within the Internal Revenue Service, by the
6 Secretary.

7 (b) DUTIES.—Each Bank Secrecy Act Information
8 Security Officer shall, with respect to the applicable regu-
9 lator, bureau, or Center within which the Officer is lo-
10 cated—

11 (1) be consulted each time Bank Secrecy Act
12 regulations affecting information security or dislo-
13 sure of Bank Secrecy Act information are developed
14 or reviewed;

15 (2) be consulted on information-sharing policies
16 under the Bank Secrecy Act, including those that
17 allow financial institutions to share information with
18 each other and foreign affiliates, and those that
19 allow Federal agencies to share with regulated enti-
20 ties;

21 (3) be consulted on coordination and clarity be-
22 tween proposed Bank Secrecy Act regulations and
23 information security and confidentiality require-
24 ments, including with respect to the reporting of

1 suspicious transactions under section 5318(g) of
2 title 31, United States Code;

3 (4) be consulted on—

4 (A) the development of new technologies
5 that may strengthen information security and
6 compliance with the Bank Secrecy Act; and

7 (B) the protection of information collected
8 by each Federal functional regulator under the
9 Bank Secrecy Act; and

10 (5) develop metrics of program success.

11 **SEC. 6304. FINCEN ANALYTICAL HUB.**

12 Section 310 of title 31, United States Code, as
13 amended by sections 6103, 6105, 6107, 6108, and 6109
14 of this division, is amended by inserting after subsection
15 (i) the following:

16 “(j) ANALYTICAL EXPERTS.—

17 “(1) IN GENERAL.—FinCEN shall maintain fi-
18 nancial experts capable of identifying, tracking, and
19 tracing money laundering and terrorist-financing
20 networks in order to conduct and support civil and
21 criminal anti-money laundering and countering the
22 financing of terrorism investigations conducted by
23 the United States Government.

24 “(2) FINCEN ANALYTICAL HUB.—FinCEN,
25 upon a reasonable request from a Federal agency,

1 shall, in collaboration with the requesting agency
2 and the appropriate Federal functional regulator,
3 analyze the potential anti-money laundering and
4 countering the financing of terrorism activity that
5 prompted the request.

6 “(k) DEFINITIONS.—In this section:

7 “(1) BANK SECRECY ACT.—The term ‘Bank Se-
8 crecy Act’ has the meaning given the term in section
9 6003 of the Anti-Money Laundering Act of 2020.

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

14 “(3) FINANCIAL INSTITUTION.—The term ‘fi-
15 nancial institution’ has the meaning given the term
16 in section 5312 of this title.

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

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

1 **SEC. 6305. ASSESSMENT OF BANK SECRECY ACT NO-ACTION**
2 **LETTERS.**

3 (a) ASSESSMENT.—

4 (1) IN GENERAL.—The Director, in consulta-
5 tion with the Attorney General, the Federal func-
6 tional regulators, State bank supervisors, State cred-
7 it union supervisors, and other Federal agencies, as
8 appropriate, shall conduct an assessment on whether
9 to establish a process for the issuance of no-action
10 letters by FinCEN in response to inquiries from per-
11 sons concerning the application of the Bank Secrecy
12 Act, the USA PATRIOT Act (Public Law 107–56;
13 115 Stat. 272), section 8(s) of the Federal Deposit
14 Insurance Act (12 U.S.C. 1818(s)), or any other
15 anti-money laundering or countering the financing of
16 terrorism law (including regulations) to specific con-
17 duct, including a request for a statement as to
18 whether FinCEN or any relevant Federal functional
19 regulator intends to take an enforcement action
20 against the person with respect to such conduct.

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

23 (A) a timeline for the process used to
24 reach a final determination by FinCEN, in con-
25 sultation with the relevant Federal functional

1 regulators, in response to a request by a person
2 for a no-action letter;

3 (B) whether improvements in current proc-
4 esses are necessary;

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

8 (D) any other matter the Secretary deter-
9 mines is appropriate.

10 (b) REPORT AND RULEMAKINGS.—Not later than
11 180 days after the date of enactment of this Act, the Sec-
12 retary, in coordination with the Director of the Federal
13 Bureau of Investigation, the Attorney General, the Sec-
14 retary of Homeland Security, and the Federal functional
15 regulators, shall—

16 (1) submit to the Committee on Banking,
17 Housing, and Urban Affairs of the Senate and the
18 Committee on Financial Services of the House of
19 Representatives a report that contains all findings
20 and determinations made in carrying out the assess-
21 ment required under subsection (a); and

22 (2) propose rulemakings, if appropriate, to im-
23 plement the findings and determinations described in
24 paragraph (1).

1 **SEC. 6306. COOPERATION WITH LAW ENFORCEMENT.**

2 (a) IN GENERAL.—

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

6 **“§ 5333. Safe harbor with respect to keep open direc-**
7 **tives**

8 “(a) IN GENERAL.—With respect to a customer ac-
9 count or customer transaction of a financial institution,
10 if a Federal law enforcement agency, after notifying
11 FinCEN of the intent to submit a written request to the
12 financial institution that the financial institution keep that
13 account or transaction open (referred to in this section
14 as a ‘keep open request’), or if a State, Tribal, or local
15 law enforcement agency with the concurrence of FinCEN
16 submits a keep open request—

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

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

1 “(b) 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 (a) with the law
6 enforcement agency submitting that request;

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

11 “(3) to extend the safe harbor described in sub-
12 section (a) 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 “(c) LETTER TERMINATION DATE.—For the pur-
19 poses of this section, any keep open request submitted
20 under subsection (a) shall include a termination date after
21 which that request shall no longer apply.

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

12 (2) AMENDMENT TO PUBLIC LAW 91–508.—
13 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:

16 **“§ 130. Safe harbor with respect to keep open direc-**
17 **tives**

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

21 “(b) SAFE HARBOR.—With respect to a customer ac-
22 count or customer transaction of a financial institution,
23 if a Federal law enforcement agency, after notifying
24 FinCEN of the intent to submit a written request to the
25 financial institution that the financial institution keep that

1 account or transaction open (referred to in this section
2 as a ‘keep open request’), or if a State, Tribal, or local
3 law enforcement agency with the concurrence of FinCEN
4 submits a keep open request—

5 “(1) the financial institution shall not be liable
6 under this chapter for maintaining that account or
7 transaction consistent with the parameters and tim-
8 ing of the request; and

9 “(2) no Federal or State department or agency
10 may take any adverse supervisory action under this
11 chapter with respect to the financial institution sole-
12 ly for maintaining that account or transaction con-
13 sistent with the parameters of the request.

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

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

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

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

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

6 “(B) after the termination date stated in
7 the keep open request.

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

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

17 “(1) submit to FinCEN a copy of the request;
18 and

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

21 (b) CLERICAL AMENDMENTS.—

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

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

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

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

5 **SEC. 6307. TRAINING FOR EXAMINERS ON ANTI-MONEY**
6 **LAUNDERING AND COUNTERING THE FI-**
7 **NANCING OF TERRORISM.**

8 (a) IN GENERAL.—Subchapter II of chapter 53 of
9 title 31, United States Code, as amended by section
10 6306(a)(1) of this division, is amended by adding at the
11 end the following:

12 **“§ 5334. Training regarding anti-money laundering**
13 **and countering the financing of terrorism**

14 “(a) TRAINING REQUIREMENT.—Each Federal ex-
15 aminer reviewing compliance with the Bank Secrecy Act,
16 as defined in section 6003 of the Anti-Money Laundering
17 Act of 2020, shall attend appropriate annual training, as
18 determined by the Secretary of the Treasury, relating to
19 anti-money laundering activities and countering the fi-
20 nancing of terrorism, including with respect to—

21 “(1) potential risk profiles and warning signs
22 that an examiner may encounter during examina-
23 tions;

24 “(2) financial crime patterns and trends;

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

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

8 “(b) TRAINING MATERIALS AND STANDARDS.—The
9 Secretary of the Treasury shall, in consultation with the
10 Financial Institutions Examination Council, the Financial
11 Crimes Enforcement Network, and Federal, State, Tribal,
12 and local law enforcement agencies, establish appropriate
13 training materials and standards for use in the training
14 required under subsection (a).”.

15 (b) CLERICAL AMENDMENT.—The table of sections
16 for chapter 53 of title 31, United States Code, as amended
17 by section 6306(b)(1) of this division, is amended by add-
18 ing at the end the following:

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

19 **SEC. 6308. OBTAINING FOREIGN BANK RECORDS FROM**
20 **BANKS WITH UNITED STATES COR-**
21 **RESPONDENT ACCOUNTS.**

22 (a) GRAND JURY AND TRIAL SUBPOENAS.—Section
23 5318(k) of title 31, United States Code, is amended—

24 (1) in paragraph (1)—

1 (A) by redesignating subparagraph (B) as
2 subparagraph (C); and

3 (B) by inserting after subparagraph (A)
4 the following:

5 “(B) COVERED FINANCIAL INSTITUTION.—

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

8 and

9 (2) by striking paragraph (3) and inserting the
10 following:

11 “(3) FOREIGN BANK RECORDS.—

12 “(A) SUBPOENA OF RECORDS.—

13 “(i) IN GENERAL.—Notwithstanding
14 subsection (b), the Secretary of the Treas-
15 ury or the Attorney General may issue a
16 subpoena to any foreign bank that main-
17 tains a correspondent account in the
18 United States and request any records re-
19 lating to the correspondent account or any
20 account at the foreign bank, including
21 records maintained outside of the United
22 States, that are the subject of—

23 “(I) any investigation of a viola-
24 tion of a criminal law of the United
25 States;

1 “(II) any investigation of a viola-
2 tion of this subchapter;

3 “(III) a civil forfeiture action; or

4 “(IV) an investigation pursuant
5 to section 5318A.

6 “(ii) PRODUCTION OF RECORDS.—The
7 foreign bank on which a subpoena de-
8 scribed in clause (i) is served shall produce
9 all requested records and authenticate all
10 requested records with testimony in the
11 manner described in—

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

14 “(II) section 3505 of title 18.

15 “(iii) ISSUANCE AND SERVICE OF SUB-
16 POENA.—A subpoena described in clause
17 (i)—

18 “(I) shall designate—

19 “(aa) a return date; and

20 “(bb) the judicial district in
21 which the related investigation is
22 proceeding; and

23 “(II) may be served—

24 “(aa) in person;

1 “(bb) by mail or fax in the
2 United States if the foreign bank
3 has a representative in the
4 United States; or

5 “(cc) if applicable, in a for-
6 eign country under any mutual
7 legal assistance treaty, multilat-
8 eral agreement, or other request
9 for international legal or law en-
10 forcement assistance.

11 “(iv) RELIEF FROM SUBPOENA.—

12 “(I) IN GENERAL.—At any time
13 before the return date of a subpoena
14 described in clause (i), the foreign
15 bank on which the subpoena is served
16 may petition the district court of the
17 United States for the judicial district
18 in which the related investigation is
19 proceeding, as designated in the sub-
20 poena, to modify or quash—

21 “(aa) the subpoena; or

22 “(bb) the prohibition against
23 disclosure described in subpara-
24 graph (C).

1 “(II) CONFLICT WITH FOREIGN
2 SECRECY OR CONFIDENTIALITY.—An
3 assertion that compliance with a sub-
4 poena described in clause (i) would
5 conflict with a provision of foreign se-
6 crecy or confidentiality law shall not
7 be a sole basis for quashing or modi-
8 fying the subpoena.

9 “(B) ACCEPTANCE OF SERVICE.—

10 “(i) MAINTAINING RECORDS IN THE
11 UNITED STATES.—Any covered financial
12 institution that maintains a correspondent
13 account in the United States for a foreign
14 bank shall maintain records in the United
15 States identifying—

16 “(I) the owners of record and the
17 beneficial owners of the foreign bank;
18 and

19 “(II) the name and address of a
20 person who—

21 “(aa) resides in the United
22 States; and

23 “(bb) is authorized to accept
24 service of legal process for

1 records covered under this sub-
2 section.

3 “(ii) LAW ENFORCEMENT REQUEST.—

4 Upon receipt of a written request from a
5 Federal law enforcement officer for infor-
6 mation required to be maintained under
7 this paragraph, a covered financial institu-
8 tion shall provide the information to the
9 requesting officer not later than 7 days
10 after receipt of the request.

11 “(C) NONDISCLOSURE OF SUBPOENA.—

12 “(i) IN GENERAL.—No officer, direc-
13 tor, partner, employee, or shareholder of,
14 or agent or attorney for, a foreign bank on
15 which a subpoena is served under this
16 paragraph shall, directly or indirectly, no-
17 tify any account holder involved or any
18 person named in the subpoena issued
19 under subparagraph (A)(i) and served on
20 the foreign bank about the existence or
21 contents of the subpoena.

22 “(ii) DAMAGES.—Upon application by
23 the Attorney General for a violation of this
24 subparagraph, a foreign bank on which a
25 subpoena is served under this paragraph

1 shall be liable to the United States Govern-
2 ment for a civil penalty in an amount
3 equal to—

4 “(I) double the amount of the
5 suspected criminal proceeds sent
6 through the correspondent account of
7 the foreign bank in the related inves-
8 tigation; or

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

11 “(D) ENFORCEMENT.—

12 “(i) IN GENERAL.—If a foreign bank
13 fails to obey a subpoena issued under sub-
14 paragraph (A)(i), the Attorney General
15 may invoke the aid of the district court of
16 the United States for the judicial district
17 in which the investigation or related pro-
18 ceeding is occurring to compel compliance
19 with the subpoena.

20 “(ii) COURT ORDERS AND CONTEMPT
21 OF COURT.—A court described in clause (i)
22 may—

23 “(I) issue an order requiring the
24 foreign bank to appear before the Sec-

1 retary of the Treasury or the Attorney
2 General to produce—
3 “**(aa)** certified records, in
4 accordance with—
5 “**(AA)** rule 902(12) of
6 the Federal Rules of Evi-
7 dence; or
8 “**(BB)** section 3505 of
9 title 18; or
10 “**(bb)** testimony regarding
11 the production of the certified
12 records; and
13 “**(II)** punish any failure to obey
14 an order issued under subclause **(I)** as
15 contempt of court.
16 “**(iii)** SERVICE OF PROCESS.—All
17 process in a case under this subparagraph
18 shall be served on the foreign bank in the
19 same manner as described in subparagraph
20 **(A)(iii)**.
21 “**(E)** TERMINATION OF CORRESPONDENT
22 RELATIONSHIP.—
23 “**(i)** TERMINATION UPON RECEIPT OF
24 NOTICE.—A covered financial institution
25 shall terminate any correspondent relation-

1 ship with a foreign bank not later than 10
2 business days after the date on which the
3 covered financial institution receives writ-
4 ten notice from the Secretary of the Treas-
5 ury or the Attorney General if, after con-
6 sultation with the other, the Secretary of
7 the Treasury or the Attorney General, as
8 applicable, determines that the foreign
9 bank has failed—

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

12 “(II) to prevail in proceedings be-
13 fore—

14 “(aa) the appropriate dis-
15 trict court of the United States
16 after challenging a subpoena de-
17 scribed in subclause (I) under
18 subparagraph (A)(iv)(I); or

19 “(bb) a court of appeals of
20 the United States after appealing
21 a decision of a district court of
22 the United States under item
23 (aa).

24 “(ii) LIMITATION ON LIABILITY.—A
25 covered financial institution shall not be

1 liable to any person in any court or arbi-
2 tration proceeding for—

3 “(I) terminating a correspondent
4 relationship under this subparagraph;
5 or

6 “(II) complying with a nondiselo-
7 sure order under subparagraph (C).

8 “(iii) FAILURE TO TERMINATE RELA-
9 TIONSHIP OR FAILURE TO COMPLY WITH A
10 SUBPOENA.—

11 “(I) FAILURE TO TERMINATE
12 RELATIONSHIP.—A covered financial
13 institution that fails to terminate a
14 correspondent relationship under
15 clause (i) shall be liable for a civil
16 penalty in an amount that is not more
17 than \$25,000 for each day that the
18 covered financial institution fails to
19 terminate the relationship.

20 “(II) FAILURE TO COMPLY WITH
21 A SUBPOENA.—

22 “(aa) IN GENERAL.—Upon
23 failure to comply with a subpoena
24 under subparagraph (A)(i), a for-
25 eign bank may be liable for a

1 civil penalty assessed by the
2 issuing agency in an amount that
3 is not more than \$50,000 for
4 each day that the foreign bank
5 fails to comply with the terms of
6 a subpoena.

7 “(bb) ADDITIONAL PEN-
8 ALTIES.—Beginning after the
9 date that is 60 days after a for-
10 eign bank fails to comply with a
11 subpoena under subparagraph
12 (A)(i), the Secretary of the
13 Treasury or the Attorney General
14 may seek additional penalties and
15 compel compliance with the sub-
16 poena in the appropriate district
17 court of the United States.

18 “(cc) VENUE FOR RELIEF.—
19 A foreign bank may seek review
20 in the appropriate district court
21 of the United States of any pen-
22 alty assessed under this clause
23 and the issuance of a subpoena
24 under subparagraph (A)(i).

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

8 “(i) under subparagraph (C)(ii);

9 “(ii) by a court for contempt under
10 subparagraph (D); or

11 “(iii) under subparagraph
12 (E)(iii)(II).”.

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

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

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

21 (c) OBSTRUCTION OF JUSTICE.—Section
22 1510(b)(3)(B) of title 18, United States Code, is amend-
23 ed—

24 (1) in the matter preceding clause (i), by strik-
25 ing “or a Department of Justice subpoena (issued

1 under section 3486 of title 18)” and inserting “, a
2 subpoena issued under section 3486 of this title, or
3 an order or subpoena issued in accordance with sec-
4 tion 3512 of this title, section 5318 of title 31, or
5 section 1782 of title 28”; and

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

12 (d) RIGHT TO FINANCIAL PRIVACY ACT.—Section
13 1120(b)(1)(A) of the Right to Financial Privacy Act of
14 1978 (12 U.S.C. 3420(b)(1)(A)) is amended—

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

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

21 **SEC. 6309. ADDITIONAL DAMAGES FOR REPEAT BANK SE-**
22 **CRECY ACT VIOLATORS.**

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

1 “(f) ADDITIONAL DAMAGES FOR REPEAT VIOLA-
2 TORS.—

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

14 “(A) if practicable to calculate, 3 times the
15 profit gained or loss avoided by such person as
16 a result of the violation; or

17 “(B) 2 times the maximum penalty with
18 respect to the violation.

19 “(2) APPLICATION.—For purposes of deter-
20 mining whether a person has committed a previous
21 violation under paragraph (1), the determination
22 shall only include violations occurring after the date
23 of enactment of the Anti-Money Laundering Act of
24 2020.”.

1 **SEC. 6310. CERTAIN VIOLATORS BARRED FROM SERVING**
2 **ON BOARDS OF UNITED STATES FINANCIAL**
3 **INSTITUTIONS.**

4 (a) IN GENERAL.—Section 5321 of title 31, United
5 States Code, as amended by section 6309 of this division,
6 is amended by adding at the end the following:

7 “(g) CERTAIN VIOLATORS BARRED FROM SERVING
8 ON BOARDS OF UNITED STATES FINANCIAL INSTITU-
9 TIONS.—

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

13 “(A) a criminal violation—

14 “(i) for which the individual is con-
15 victed; and

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

18 “(B) a civil violation in which—

19 “(i) the individual willfully committed
20 the violation; and

21 “(ii) the violation facilitated money
22 laundering or the financing of terrorism.

23 “(2) BAR.—An individual found to have com-
24 mitted an egregious violation of the Bank Secrecy
25 Act, as defined in section 6003 of the Anti-Money
26 Laundering Act of 2020, or any rules issued under

1 the Bank Secrecy Act, shall be barred from serving
2 on the board of directors of a United States finan-
3 cial institution during the 10-year period that begins
4 on the date on which the conviction or judgment, as
5 applicable, with respect to the egregious violation is
6 entered.”.

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

11 **SEC. 6311. DEPARTMENT OF JUSTICE REPORT ON DE-**
12 **FERRED AND NON-PROSECUTION AGREE-**
13 **MENTS.**

14 (a) **ANNUAL REPORT.**—Not later than 1 year after
15 the date of enactment of this Act, and for each of the
16 4 years thereafter, the Attorney General shall submit to
17 the appropriate committees of Congress a report that con-
18 tains—

19 (1) a list of deferred prosecution agreements
20 and non-prosecution agreements that the Attorney
21 General has entered into, amended, or terminated
22 during the year covered by the report with any per-
23 son with respect to a violation or suspected violation
24 of the Bank Secrecy Act (referred to in this sub-
25 section as “covered agreements”);

1 (2) the justification for entering into, amend-
2 ing, or terminating each covered agreement;

3 (3) the list of factors that were taken into ac-
4 count in determining that the Attorney General
5 should enter into, amend, or terminate each covered
6 agreement; and

7 (4) the extent of coordination the Attorney
8 General conducted with the Secretary of the Treas-
9 ury, Federal functional regulators, or State regu-
10 lators before entering into, amending, or terminating
11 each covered agreement.

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

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

16 (1) the Committee on Banking, Housing, and
17 Urban Affairs of the Senate;

18 (2) the Committee on the Judiciary of the Sen-
19 ate;

20 (3) the Committee on Financial Services of the
21 House of Representatives; and

22 (4) the Committee on the Judiciary of the
23 House of Representatives.

1 **SEC. 6312. RETURN OF PROFITS AND BONUSES.**

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

5 “(e) A person convicted of violating a provision of (or
6 rule issued under) the Bank Secrecy Act, as defined in
7 section 6003 of the Anti-Money Laundering Act of 2020,
8 shall—

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

13 “(2) if the person is an individual who was a
14 partner, director, officer, or employee of a financial
15 institution at the time the violation occurred, repay
16 to such financial institution any bonus paid to the
17 individual during the calendar year in which the vio-
18 lation occurred or the calendar year after which the
19 violation occurred.”.

20 (b) RULE OF CONSTRUCTION.—The amendment
21 made by subsection (a) may not be construed to prohibit
22 a financial institution from requiring the repayment of a
23 bonus paid to a partner, director, officer, or employee if
24 the financial institution determines that the partner, di-
25 rector, officer, or employee engaged in unethical, but non-
26 criminal, activities.

1 **SEC. 6313. PROHIBITION ON CONCEALMENT OF THE**
2 **SOURCE OF ASSETS IN MONETARY TRANS-**
3 **ACTIONS.**

4 (a) IN GENERAL.—Subchapter II of chapter 53 of
5 title 31, United States Code, as amended by sections
6 6306(a)(1) and 6307(a) of this division, is amended by
7 adding at the end the following:

8 **“§ 5335. Prohibition on concealment of the source of**
9 **assets in monetary transactions**

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

12 “(1) means the deposit, withdrawal, transfer, or
13 exchange, in or affecting interstate or foreign com-
14 merce, of funds or a monetary instrument (as de-
15 fined in section 1956(c)(5) of title 18) by, through,
16 or to a financial institution (as defined in section
17 1956(c)(6) of title 18);

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

21 “(3) does not include any transaction necessary
22 to preserve the right to representation of a person
23 as guaranteed by the Sixth Amendment to the Con-
24 stitution of the United States.

25 “(b) PROHIBITION.—No person shall knowingly con-
26 ceal, falsify, or misrepresent, or attempt to conceal, falsify,

1 or misrepresent, from or to a financial institution, a mate-
2 rial fact concerning the ownership or control of assets in-
3 volved in a monetary transaction if—

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

10 “(2) the aggregate value of the assets involved
11 in 1 or more monetary transactions is not less than
12 \$1,000,000.

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

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

21 “(2) violates the prohibitions or conditions pre-
22 scribed under section 5318A(b)(5) or the regulations
23 promulgated under this title.

24 “(d) PENALTIES.—A person convicted of an offense
25 under subsection (b) or (c), or a conspiracy to commit an

1 offense under subsection (b) or (c), shall be imprisoned
2 for not more than 10 years, fined not more than
3 \$1,000,000, or both.

4 “(e) FORFEITURE.—

5 “(1) CRIMINAL FORFEITURE.—

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

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

15 “(2) CIVIL FORFEITURE.—

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

21 “(B) PROCEDURE.—Seizures and forfeit-
22 ures under this paragraph shall be governed by
23 the provisions of chapter 46 of title 18 relating
24 to civil forfeitures, except that such duties,
25 under the customs laws described in section

1 981(d) of title 18, given to the Secretary of the
2 Treasury shall be performed by such officers,
3 agents, and other persons as may be designated
4 for that purpose by the Secretary of Homeland
5 Security or the Attorney General.”.

6 (b) TECHNICAL AND CONFORMING AMENDMENT.—
7 The table of sections for chapter 53 of title 31, United
8 States Code, as amended by sections 6306(b)(1) and
9 6307(b) of this division, is amended by adding at the end
10 the following:

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

11 **SEC. 6314. UPDATING WHISTLEBLOWER INCENTIVES AND**
12 **PROTECTION.**

13 (a) WHISTLEBLOWER INCENTIVES AND PROTEC-
14 TION.—Section 5323 of title 31, United States Code, is
15 amended to read as follows:

16 **“§ 5323. Whistleblower incentives and protections**

17 “(a) DEFINITIONS.—In this section:

18 “(1) COVERED JUDICIAL OR ADMINISTRATIVE
19 ACTION.—The term ‘covered judicial or administra-
20 tive action’ means any judicial or administrative ac-
21 tion brought by the Secretary of the Treasury (re-
22 ferred to in this section as the ‘Secretary’) or the
23 Attorney General under this subchapter or sub-

1 chapter III that results in monetary sanctions ex-
2 ceeding \$1,000,000.

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

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

9 “(B) does not include—

10 “(i) forfeiture;

11 “(ii) restitution; or

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

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

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

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

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

1 unless the whistleblower is a source of the infor-
2 mation.

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

14 “(5) WHISTLEBLOWER.—

15 “(A) IN GENERAL.—The term ‘whistle-
16 blower’ means any individual who provides, or
17 2 or more individuals acting jointly who pro-
18 vide, information relating to a violation of this
19 subchapter or subchapter III to the employer of
20 the individual or individuals, including as part
21 of the job duties of the individual or individuals,
22 or to the Secretary or the Attorney General.

23 “(B) SPECIAL RULE.—Solely for the pur-
24 poses of subsection (g)(1), the term ‘whistle-
25 blower’ includes any individual who takes, or 2

1 or more individuals acting jointly who take, an
2 action described in subsection (g)(1)(A).

3 “(b) AWARDS.—

4 “(1) IN GENERAL.—In any covered judicial or
5 administrative action, or related action, the Sec-
6 retary, under regulations prescribed by the Sec-
7 retary, in consultation with the Attorney General
8 and subject to subsection (c) and to amounts made
9 available in advance by appropriation Acts, shall pay
10 an award or awards to 1 or more whistleblowers who
11 voluntarily provided original information to the em-
12 ployer of the individual, the Secretary, or the Attor-
13 ney General, as applicable, that led to the successful
14 enforcement of the covered judicial or administrative
15 action, or related action, in an aggregate amount
16 equal to not more than 30 percent, in total, of what
17 has been collected of the monetary sanctions im-
18 posed in the action or related actions.

19 “(2) SOURCE OF AWARDS.—For the purposes of
20 paying any award under this section, the Secretary
21 may, subject to amounts made available in advance
22 by appropriation Acts, use monetary sanction
23 amounts recovered based on the original information
24 with respect to which the award is being paid.

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 shall take into consideration—

11 “(i) the significance of the informa-
12 tion provided by the whistleblower to the
13 success of the covered judicial or adminis-
14 trative action;

15 “(ii) the degree of assistance provided
16 by the whistleblower and any legal rep-
17 resentative of the whistleblower in a cov-
18 ered judicial or administrative action;

19 “(iii) the programmatic interest of the
20 Department of the Treasury in deterring
21 violations of this subchapter and sub-
22 chapter III by making awards to whistle-
23 blowers who provide information that lead
24 to the successful enforcement of either
25 such subchapter; and

1 “(iv) such additional relevant factors
2 as the Secretary, in consultation with the
3 Attorney General, may establish by rule or
4 regulation.

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

7 “(A) to any whistleblower who is, or was at
8 the time the whistleblower acquired the original
9 information submitted to the Secretary or the
10 Attorney General, as applicable, a member, offi-
11 cer, or employee—

12 “(i) of—

13 “(I) an appropriate regulatory or
14 banking agency;

15 “(II) the Department of the
16 Treasury or the Department of Jus-
17 tice; or

18 “(III) a law enforcement agency;

19 and

20 “(ii) acting in the normal course of
21 the job duties of the whistleblower;

22 “(B) to any whistleblower who is convicted
23 of a criminal violation related to the judicial or
24 administrative action for which the whistle-

1 blower otherwise could receive an award under
2 this section; or

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

8 “(d) REPRESENTATION.—

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

12 “(2) REQUIRED REPRESENTATION.—

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

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

1 “(e) NO CONTRACT NECESSARY.—No contract with
2 the Department of the Treasury is necessary for any whis-
3 tleblower to receive an award under subsection (b), unless
4 otherwise required by the Secretary by rule or regulation.

5 “(f) APPEALS.—

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

10 “(2) REQUIREMENTS.—

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

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

24 “(g) PROTECTION OF WHISTLEBLOWERS.—

1 “(1) PROHIBITION AGAINST RETALIATION.—No
2 employer may, directly or indirectly, discharge, de-
3 mote, suspend, threaten, blacklist, harass, or in any
4 other manner discriminate against a whistleblower in
5 the terms and conditions of employment or post-em-
6 ployment because of any lawful act done by the
7 whistleblower—

8 “(A) in providing information in accord-
9 ance with this section to—

10 “(i) the Secretary or the Attorney
11 General;

12 “(ii) a Federal regulatory or law en-
13 forcement agency;

14 “(iii) any Member of Congress or any
15 committee of Congress; or

16 “(iv) a person with supervisory au-
17 thority over the whistleblower, or such
18 other person working for the employer who
19 has the authority to investigate, discover,
20 or terminate misconduct; or

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.—

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 “(h) 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 “(i) 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 “(j) 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
25 be valid or enforceable, to the extent the agreement

1 requires arbitration of a dispute arising under this
2 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 LXIV—ESTABLISHING**
13 **BENEFICIAL OWNERSHIP IN-**
14 **FORMATION REPORTING RE-**
15 **QUIREMENTS**

Sec. 6401. Short title.

Sec. 6402. Sense of Congress.

Sec. 6403. Beneficial ownership information reporting requirements.

16 **SEC. 6401. SHORT TITLE.**

17 This title may be cited as the “Corporate Trans-
18 parency Act”.

19 **SEC. 6402. SENSE OF CONGRESS.**

20 It is the sense of Congress that—

21 (1) more than 2,000,000 corporations and lim-
22 ited liability companies are being formed under the
23 laws of the States each year;

1 (2) most or all States do not require informa-
2 tion about the beneficial owners of the corporations,
3 limited liability companies, or other similar entities
4 formed under the laws of the State;

5 (3) malign actors seek to conceal their owner-
6 ship of corporations, limited liability companies, or
7 other similar entities in the United States to facili-
8 tate illicit activity, including money laundering, the
9 financing of terrorism, proliferation financing, seri-
10 ous tax fraud, human and drug trafficking, counter-
11 feiting, piracy, securities fraud, financial fraud, and
12 acts of foreign corruption, harming the national se-
13 curity interests of the United States and allies of the
14 United States;

15 (4) money launderers and others involved in
16 commercial activity intentionally conduct trans-
17 actions through corporate structures in order to
18 evade detection, and may layer such structures,
19 much like Russian nesting “Matryoshka” dolls,
20 across various secretive jurisdictions such that each
21 time an investigator obtains ownership records for a
22 domestic or foreign entity, the newly identified entity
23 is yet another corporate entity, necessitating a re-
24 peat of the same process;

1 (5) Federal legislation providing for the collec-
2 tion of beneficial ownership information for corpora-
3 tions, limited liability companies, or other similar en-
4 tities formed under the laws of the States is needed
5 to—

6 (A) set a clear, Federal standard for incor-
7 poration practices;

8 (B) protect vital United States national se-
9 curity interests;

10 (C) protect interstate and foreign com-
11 merce;

12 (D) better enable critical national security,
13 intelligence, and law enforcement efforts to
14 counter money laundering, the financing of ter-
15 rorism, and other illicit activity; and

16 (E) bring the United States into compli-
17 ance with international anti-money laundering
18 and countering the financing of terrorism
19 standards;

20 (6) beneficial ownership information collected
21 under the amendments made by this title is sensitive
22 information and will be directly available only to au-
23 thorized government authorities, subject to effective
24 safeguards and controls, to—

1 (A) facilitate important national security,
2 intelligence, and law enforcement activities; and

3 (B) confirm beneficial ownership informa-
4 tion provided to financial institutions to facili-
5 tate the compliance of the financial institutions
6 with anti-money laundering, countering the fi-
7 nancing of terrorism, and customer due dili-
8 gence requirements under applicable law;

9 (7) consistent with applicable law, the Secretary
10 of the Treasury shall—

11 (A) maintain the information described in
12 paragraph (1) in a secure, nonpublic database,
13 using information security methods and tech-
14 niques that are appropriate to protect non-
15 classified information systems at the highest se-
16 curity level; and

17 (B) take all steps, including regular audit-
18 ing, to ensure that government authorities ac-
19 cessing beneficial ownership information do so
20 only for authorized purposes consistent with
21 this title; and

22 (8) in prescribing regulations to provide for the
23 reporting of beneficial ownership information, the
24 Secretary shall, to the greatest extent practicable
25 consistent with the purposes of this title—

1 (A) seek to minimize burdens on reporting
2 companies associated with the collection of ben-
3 efiticial ownership information;

4 (B) provide clarity to reporting companies
5 concerning the identification of their beneficial
6 owners; and

7 (C) collect information in a form and man-
8 ner that is reasonably designed to generate a
9 database that is highly useful to national secu-
10 rity, intelligence, and law enforcement agencies
11 and Federal functional regulators.

12 **SEC. 6403. BENEFICIAL OWNERSHIP INFORMATION RE-**
13 **PORTING REQUIREMENTS.**

14 (a) IN GENERAL.—Subchapter II of chapter 53 of
15 title 31, United States Code, as amended by sections
16 6306(a)(1), 6307(a), and 6313(a) of this division, is
17 amended by adding at the end the following:

18 **“§ 5336. Beneficial ownership information reporting**
19 **requirements**

20 “(a) DEFINITIONS.—In this section:

21 “(1) ACCEPTABLE IDENTIFICATION DOCU-
22 MENT.—The term ‘acceptable identification docu-
23 ment’ means, with respect to an individual—

24 “(A) a nonexpired passport issued by the
25 United States;

1 “(B) a nonexpired identification document
2 issued by a State, local government, or Indian
3 Tribe to the individual acting for the purpose of
4 identification of that individual;

5 “(C) a nonexpired driver’s license issued
6 by a State; or

7 “(D) if the individual does not have a doc-
8 ument described in subparagraph (A), (B), or
9 (C), a nonexpired passport issued by a foreign
10 government.

11 “(2) APPLICANT.—The term ‘applicant’ means
12 any individual who—

13 “(A) files an application to form a corpora-
14 tion, limited liability company, or other similar
15 entity under the laws of a State or Indian
16 Tribe; or

17 “(B) registers or files an application to
18 register a corporation, limited liability company,
19 or other similar entity formed under the laws of
20 a foreign country to do business in the United
21 States by filing a document with the secretary
22 of state or similar office under the laws of a
23 State or Indian Tribe.

24 “(3) BENEFICIAL OWNER.—The term ‘bene-
25 ficial owner’—

1 “(A) means, with respect to an entity, an
2 individual who, directly or indirectly, through
3 any contract, arrangement, understanding, rela-
4 tionship, or otherwise—

5 “(i) exercises substantial control over
6 the entity; or

7 “(ii) owns or controls not less than 25
8 percent of the ownership interests of the
9 entity; and

10 “(B) does not include—

11 “(i) a minor child, as defined in the
12 State in which the entity is formed, if the
13 information of the parent or guardian of
14 the minor child is reported in accordance
15 with this section;

16 “(ii) an individual acting as a nomi-
17 nee, intermediary, custodian, or agent on
18 behalf of another individual;

19 “(iii) an individual acting solely as an
20 employee of a corporation, limited liability
21 company, or other similar entity and whose
22 control over or economic benefits from
23 such entity is derived solely from the em-
24 ployment status of the person;

1 “(iv) an individual whose only interest
2 in a corporation, limited liability company,
3 or other similar entity is through a right of
4 inheritance; or

5 “(v) a creditor of a corporation, lim-
6 ited liability company, or other similar en-
7 tity, unless the creditor meets the require-
8 ments of subparagraph (A).

9 “(4) DIRECTOR.—The term ‘Director’ means
10 the Director of FinCEN.

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

14 “(6) FINCEN IDENTIFIER.—The term
15 ‘FinCEN identifier’ means the unique identifying
16 number assigned by FinCEN to a person under this
17 section.

18 “(7) FOREIGN PERSON.—The term ‘foreign per-
19 son’ means a person who is not a United States per-
20 son, as defined in section 7701(a) of the Internal
21 Revenue Code of 1986.

22 “(8) INDIAN TRIBE.—The term ‘Indian Tribe’
23 has the meaning given the term ‘Indian tribe’ in sec-
24 tion 102 of the Federally Recognized Indian Tribe
25 List Act of 1994 (25 U.S.C. 5130).

1 “(9) **LAWFULLY ADMITTED FOR PERMANENT**
2 **RESIDENCE.**—The term ‘lawfully admitted for per-
3 manent residence’ has the meaning given the term
4 in section 101(a) of the Immigration and Nationality
5 Act (8 U.S.C. 1101(a)).

6 “(10) **POOLED INVESTMENT VEHICLE.**—The
7 term ‘pooled investment vehicle’ means—

8 “(A) any investment company, as defined
9 in section 3(a) of the Investment Company Act
10 of 1940 (15 U.S.C. 80a–3(a)); or

11 “(B) any company that—

12 “(i) would be an investment company
13 under that section but for the exclusion
14 provided from that definition by paragraph
15 (1) or (7) of section 3(c) of that Act (15
16 U.S.C. 80a–3(c)); and

17 “(ii) is identified by its legal name by
18 the applicable investment adviser in its
19 Form ADV (or successor form) filed with
20 the Securities and Exchange Commission.

21 “(11) **REPORTING COMPANY.**—The term ‘re-
22 porting company’—

23 “(A) means a corporation, limited liability
24 company, or other similar entity that is—

1 “(i) created by the filing of a docu-
2 ment with a secretary of state or a similar
3 office under the law of a State or Indian
4 Tribe; or

5 “(ii) formed under the law of a for-
6 eign country and registered to do business
7 in the United States by the filing of a doc-
8 ument with a secretary of state or a simi-
9 lar office under the laws of a State or In-
10 dian Tribe; and

11 “(B) does not include—

12 “(i) an issuer—

13 “(I) of a class of securities reg-
14 istered under section 12 of the Securi-
15 ties Exchange Act of 1934 (15 U.S.C.
16 78l); or

17 “(II) that is required to file sup-
18 plementary and periodic information
19 under section 15(d) of the Securities
20 Exchange Act of 1934 (15 U.S.C.
21 78o(d));

22 “(ii) an entity—

23 “(I) established under the laws of
24 the United States, an Indian Tribe, a
25 State, or a political subdivision of a

1 State, or under an interstate compact
2 between 2 or more States; and

3 “(II) that exercises governmental
4 authority on behalf of the United
5 States or any such Indian Tribe,
6 State, or political subdivision;

7 “(iii) a bank, as defined in—

8 “(I) section 3 of the Federal De-
9 posit Insurance Act (12 U.S.C. 1813);

10 “(II) section 2(a) of the Invest-
11 ment Company Act of 1940 (15
12 U.S.C. 80a-2(a)); or

13 “(III) section 202(a) of the In-
14 vestment Advisers Act of 1940 (15
15 U.S.C. 80b-2(a));

16 “(iv) a Federal credit union or a State
17 credit union (as those terms are defined in
18 section 101 of the Federal Credit Union
19 Act (12 U.S.C. 1752));

20 “(v) a bank holding company (as de-
21 fined in section 2 of the Bank Holding
22 Company Act of 1956 (12 U.S.C. 1841))
23 or a savings and loan holding company (as
24 defined in section 10(a) of the Home Own-
25 ers’ Loan Act (12 U.S.C. 1467a(a)));

1 “(vi) a money transmitting business
2 registered with the Secretary of the Treas-
3 ury under section 5330;

4 “(vii) a broker or dealer (as those
5 terms are defined in section 3 of the Secu-
6 rities Exchange Act of 1934 (15 U.S.C.
7 78c)) that is registered under section 15 of
8 that Act (15 U.S.C. 78o);

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

15 “(ix) any other entity not described in
16 clause (i), (vii), or (viii) that is registered
17 with the Securities and Exchange Commis-
18 sion under the Securities Exchange Act of
19 1934 (15 U.S.C. 78a et seq.);

20 “(x) an entity that—

21 “(I) is an investment company
22 (as defined in section 3 of the Invest-
23 ment Company Act of 1940 (15
24 U.S.C. 80a-3)) or an investment ad-
25 viser (as defined in section 202 of the

1 Investment Advisers Act of 1940 (15
2 U.S.C. 80b–2)); and

3 “(II) is registered with the Secu-
4 rities and Exchange Commission
5 under the Investment Company Act of
6 1940 (15 U.S.C. 80a–1 et seq.) or the
7 Investment Advisers Act of 1940 (15
8 U.S.C. 80b–1 et seq.);

9 “(xi) an investment adviser—
10 “(I) described in section 203(l) of
11 the Investment Advisers Act of 1940
12 (15 U.S.C. 80b–3(l)); and

13 “(II) that has filed Item 10,
14 Schedule A, and Schedule B of Part
15 1A of Form ADV, or any successor
16 thereto, with the Securities and Ex-
17 change Commission;

18 “(xii) an insurance company (as de-
19 fined in section 2 of the Investment Com-
20 pany Act of 1940 (15 U.S.C. 80a–2));

21 “(xiii) an entity that—

22 “(I) is an insurance producer
23 that is authorized by a State and sub-
24 ject to supervision by the insurance

1 commissioner or a similar official or
2 agency of a State; and

3 “(II) has an operating presence
4 at a physical office within the United
5 States;

6 “(xiv)(I) a registered entity (as de-
7 fined in section 1a of the Commodity Ex-
8 change Act (7 U.S.C. 1a)); or

9 “(II) an entity that is—

10 “(aa)(AA) a futures commission
11 merchant, introducing broker, swap
12 dealer, major swap participant, com-
13modity pool operator, or commodity
14 trading advisor (as those terms are
15 defined in section 1a of the Com-
16modity Exchange Act (7 U.S.C. 1a));
17 or

18 “(BB) a retail foreign exchange
19 dealer, as described in section
20 2(c)(2)(B) of that Act (7 U.S.C.
21 2(c)(2)(B)); and

22 “(bb) registered with the Com-
23modity Futures Trading Commission
24 under the Commodity Exchange Act
25 (7 U.S.C. 1 et seq.);

1 “(xv) a public accounting firm reg-
2 istered in accordance with section 102 of
3 the Sarbanes-Oxley Act of 2002 (15
4 U.S.C. 7212);

5 “(xvi) a public utility that provides
6 telecommunications services, electrical
7 power, natural gas, or water and sewer
8 services within the United States;

9 “(xvii) a financial market utility des-
10 ignated by the Financial Stability Over-
11 sight Council under section 804 of the
12 Payment, Clearing, and Settlement Super-
13 vision Act of 2010 (12 U.S.C. 5463);

14 “(xviii) any pooled investment vehicle
15 that is operated or advised by a person de-
16 scribed in clause (iii), (iv), (vii), (x), or
17 (xi);

18 “(xix) any—

19 “(I) organization that is de-
20 scribed in section 501(c) of the Inter-
21 nal Revenue Code of 1986 (deter-
22 mined without regard to section
23 508(a) of such Code) and exempt
24 from tax under section 501(a) of such
25 Code, except that in the case of any

1 such organization that loses an ex-
2 emption from tax, such organization
3 shall be considered to be continued to
4 be described in this subclause for the
5 180-day period beginning on the date
6 of the loss of such tax-exempt status;

7 “(II) political organization (as
8 defined in section 527(e)(1) of such
9 Code) that is exempt from tax under
10 section 527(a) of such Code; or

11 “(III) trust described in para-
12 graph (1) or (2) of section 4947(a) of
13 such Code;

14 “(xx) any corporation, limited liability
15 company, or other similar entity that—

16 “(I) operates exclusively to pro-
17 vide financial assistance to, or hold
18 governance rights over, any entity de-
19 scribed in clause (xix);

20 “(II) is a United States person;

21 “(III) is beneficially owned or
22 controlled exclusively by 1 or more
23 United States persons that are United
24 States citizens or lawfully admitted
25 for permanent residence; and

1 “(IV) derives at least a majority
2 of its funding or revenue from 1 or
3 more United States persons that are
4 United States citizens or lawfully ad-
5 mitted for permanent residence;
6 “(xxi) any entity that—
7 “(I) employs more than 20 em-
8 ployees on a full-time basis in the
9 United States;
10 “(II) filed in the previous year
11 Federal income tax returns in the
12 United States demonstrating more
13 than \$5,000,000 in gross receipts or
14 sales in the aggregate, including the
15 receipts or sales of—
16 “(aa) other entities owned
17 by the entity; and
18 “(bb) other entities through
19 which the entity operates; and
20 “(III) has an operating presence
21 at a physical office within the United
22 States;
23 “(xxii) any corporation, limited liabil-
24 ity company, or other similar entity of
25 which the ownership interests are owned or

1 controlled, directly or indirectly, by 1 or
2 more entities described in clause (i), (ii),
3 (iii), (iv), (v), (vii), (viii), (ix), (x), (xi),
4 (xii), (xiii), (xiv), (xv), (xvi), (xvii) (xix), or
5 (xxi);

6 “(xxiii) any corporation, limited liabil-
7 ity company, or other similar entity—

8 “(I) in existence for over 1 year;

9 “(II) that is not engaged in ac-
10 tive business;

11 “(III) that is not owned, directly
12 or indirectly, by a foreign person;

13 “(IV) that has not, in the pre-
14 ceding 12-month period, experienced a
15 change in ownership or sent or re-
16 ceived funds in an amount greater
17 than \$1,000 (including all funds sent
18 to or received from any source
19 through a financial account or ac-
20 counts in which the entity, or an affil-
21 iate of the entity, maintains an inter-
22 est); and

23 “(V) that does not otherwise hold
24 any kind or type of assets, including
25 an ownership interest in any corpora-

1 tion, limited liability company, or
2 other similar entity;

3 “(xxiv) any entity or class of entities
4 that the Secretary of the Treasury, with
5 the written concurrence of the Attorney
6 General and the Secretary of Homeland
7 Security, has, by regulation, determined
8 should be exempt from the requirements of
9 subsection (b) because requiring beneficial
10 ownership information from the entity or
11 class of entities—

12 “(I) would not serve the public
13 interest; and

14 “(II) would not be highly useful
15 in national security, intelligence, and
16 law enforcement agency efforts to de-
17 tect, prevent, or prosecute money
18 laundering, the financing of terrorism,
19 proliferation finance, serious tax
20 fraud, or other crimes.

21 “(12) STATE.—The term ‘State’ means any
22 State of the United States, the District of Columbia,
23 the Commonwealth of Puerto Rico, the Common-
24 wealth of the Northern Mariana Islands, American
25 Samoa, Guam, the United States Virgin Islands, and

1 any other commonwealth, territory, or possession of
2 the United States.

3 “(13) UNIQUE IDENTIFYING NUMBER.—The
4 term ‘unique identifying number’ means, with re-
5 spect to an individual or an entity with a sole mem-
6 ber, the unique identifying number from an accept-
7 able identification document.

8 “(14) UNITED STATES PERSON.—The term
9 ‘United States person’ has the meaning given the
10 term in section 7701(a) of the Internal Revenue
11 Code of 1986.

12 “(b) BENEFICIAL OWNERSHIP INFORMATION RE-
13 PORTING.—

14 “(1) REPORTING.—

15 “(A) IN GENERAL.—In accordance with
16 regulations prescribed by the Secretary of the
17 Treasury, each reporting company shall submit
18 to FinCEN a report that contains the informa-
19 tion described in paragraph (2).

20 “(B) REPORTING OF EXISTING ENTI-
21 TIES.—In accordance with regulations pre-
22 scribed by the Secretary of the Treasury, any
23 reporting company that has been formed or reg-
24 istered before the effective date of the regula-
25 tions prescribed under this subsection shall, in

1 a timely manner, and not later than 2 years
2 after the effective date of the regulations pre-
3 scribed under this subsection, submit to
4 FinCEN a report that contains the information
5 described in paragraph (2).

6 “(C) REPORTING AT TIME OF FORMATION
7 OR REGISTRATION.—In accordance with regula-
8 tions prescribed by the Secretary of the Treas-
9 ury, any reporting company that has been
10 formed or registered after the effective date of
11 the regulations promulgated under this sub-
12 section shall, at the time of formation or reg-
13 istration, submit to FinCEN a report that con-
14 tains the information described in paragraph
15 (2).

16 “(D) UPDATED REPORTING FOR CHANGES
17 IN BENEFICIAL OWNERSHIP.—In accordance
18 with regulations prescribed by the Secretary of
19 the Treasury, a reporting company shall, in a
20 timely manner, and not later than 1 year after
21 the date on which there is a change with re-
22 spect to any information described in paragraph
23 (2), submit to FinCEN a report that updates
24 the information relating to the change.

1 “(E) TREASURY REVIEW OF UPDATED RE-
2 PORTING FOR CHANGES IN BENEFICIAL OWNER-
3 SHIP.—The Secretary of the Treasury, in con-
4 sultation with the Attorney General and the
5 Secretary of Homeland Security, shall conduct
6 a review to evaluate—

7 “(i) the necessity of a requirement for
8 corporations, limited liability companies, or
9 other similar entities to update the report
10 on beneficial ownership information in
11 paragraph (2), related to a change in own-
12 ership, within a shorter period of time than
13 required under subparagraph (D), taking
14 into account the updating requirements
15 under subparagraph (D) and the informa-
16 tion contained in the reports;

17 “(ii) the benefit to law enforcement
18 and national security officials that might
19 be derived from, and the burden that a re-
20 quirement to update the list of beneficial
21 owners within a shorter period of time
22 after a change in the list of beneficial own-
23 ers would impose on corporations, limited
24 liability companies, or other similar enti-
25 ties; and

1 “(iii) not later than 2 years after the
2 date of enactment of this section, incor-
3 porate into the regulations, as appropriate,
4 any changes necessary to implement the
5 findings and determinations based on the
6 review required under this subparagraph.

7 “(F) REGULATION REQUIREMENTS.—In
8 promulgating the regulations required under
9 subparagraphs (A) through (D), the Secretary
10 of the Treasury shall, to the greatest extent
11 practicable—

12 “(i) establish partnerships with State,
13 local, and Tribal governmental agencies;

14 “(ii) collect information described in
15 paragraph (2) through existing Federal,
16 State, and local processes and procedures;

17 “(iii) minimize burdens on reporting
18 companies associated with the collection of
19 the information described in paragraph
20 (2), in light of the private compliance costs
21 placed on legitimate businesses, including
22 by identifying any steps taken to mitigate
23 the costs relating to compliance with the
24 collection of information; and

1 “(iv) collect information described in
2 paragraph (2) in a form and manner that
3 ensures the information is highly useful
4 in—

5 “(I) facilitating important na-
6 tional security, intelligence, and law
7 enforcement activities; and

8 “(II) confirming beneficial owner-
9 ship information provided to financial
10 institutions to facilitate the compli-
11 ance of the financial institutions with
12 anti-money laundering, countering the
13 financing of terrorism, and customer
14 due diligence requirements under ap-
15 plicable law.

16 “(G) REGULATORY SIMPLIFICATION.—To
17 simplify compliance with this section for report-
18 ing companies and financial institutions, the
19 Secretary of the Treasury shall ensure that the
20 regulations prescribed by the Secretary under
21 this subsection are added to part 1010 of title
22 31, Code of Federal Regulations, or any suc-
23 cessor thereto.

24 “(2) REQUIRED INFORMATION.—

1 “(A) IN GENERAL.—In accordance with
2 regulations prescribed by the Secretary of the
3 Treasury, a report delivered under paragraph
4 (1) shall, except as provided in subparagraph
5 (B), identify each beneficial owner of the appli-
6 cable reporting company and each applicant
7 with respect to that reporting company by—

8 “(i) full legal name;

9 “(ii) date of birth;

10 “(iii) current, as of the date on which
11 the report is delivered, residential or busi-
12 ness street address; and

13 “(iv)(I) unique identifying number
14 from an acceptable identification docu-
15 ment; or

16 “(II) FinCEN identifier in accordance
17 with requirements in paragraph (3).

18 “(B) REPORTING REQUIREMENT FOR EX-
19 EMPT ENTITIES HAVING AN OWNERSHIP INTER-
20 EST.—If an exempt entity described in sub-
21 section (a)(11)(B) has or will have a direct or
22 indirect ownership interest in a reporting com-
23 pany, the reporting company or the applicant—

1 “(i) shall, with respect to the exempt
2 entity, only list the name of the exempt en-
3 tity; and

4 “(ii) shall not be required to report
5 the information with respect to the exempt
6 entity otherwise required under subpara-
7 graph (A).

8 “(C) REPORTING REQUIREMENT FOR CER-
9 TAIN POOLED INVESTMENT VEHICLES.—Any
10 corporation, limited liability company, or other
11 similar entity that is an exempt entity described
12 in subsection (a)(11)(B)(xviii) and is formed
13 under the laws of a foreign country shall file
14 with FinCEN a written certification that pro-
15 vides identification information of an individual
16 that exercises substantial control over the
17 pooled investment vehicle in the same manner
18 as required under this subsection.

19 “(D) REPORTING REQUIREMENT FOR EX-
20 EMPT SUBSIDIARIES.—In accordance with the
21 regulations promulgated by the Secretary, any
22 corporation, limited liability company, or other
23 similar entity that is an exempt entity described
24 in subsection (a)(11)(B)(xxii), shall, at the time
25 such entity no longer meets the criteria de-

1 scribed in subsection (a)(11)(B)(xxii), submit to
2 FinCEN a report containing the information re-
3 quired under subparagraph (A).

4 “(E) REPORTING REQUIREMENT FOR EX-
5 EMPT GRANDFATHERED ENTITIES.—In accord-
6 ance with the regulations promulgated by the
7 Secretary, any corporation, limited liability
8 company, or other similar entity that is an ex-
9 empt entity described in subsection
10 (a)(11)(B)(xxiii), shall, at the time such entity
11 no longer meets the criteria described in sub-
12 section (a)(11)(B)(xxiii), submit to FinCEN a
13 report containing the information required
14 under subparagraph (A).

15 “(3) FINCEN IDENTIFIER.—

16 “(A) ISSUANCE OF FINCEN IDENTIFIER.—

17 “(i) IN GENERAL.—Upon request by
18 an individual who has provided FinCEN
19 with the information described in para-
20 graph (2)(A) pertaining to the individual,
21 or by an entity that has reported its bene-
22 ficial ownership information to FinCEN in
23 accordance with this section, FinCEN shall
24 issue a FinCEN identifier to such indi-
25 vidual or entity.

1 “(ii) UPDATING OF INFORMATION.—
2 An individual or entity with a FinCEN
3 identifier shall submit filings with FinCEN
4 pursuant to paragraph (1) updating any
5 information described in paragraph (2) in
6 a timely manner consistent with paragraph
7 (1)(D).

8 “(iii) EXCLUSIVE IDENTIFIER.—
9 FinCEN shall not issue more than 1
10 FinCEN identifier to the same individual
11 or to the same entity (including any suc-
12 cessor entity).

13 “(B) USE OF FINCEN IDENTIFIER FOR IN-
14 DIVIDUALS.—Any person required to report the
15 information described in paragraph (2) with re-
16 spect to an individual may instead report the
17 FinCEN identifier of the individual.

18 “(C) USE OF FINCEN IDENTIFIER FOR EN-
19 TITIES.—If an individual is or may be a bene-
20 ficial owner of a reporting company by an inter-
21 est held by the individual in an entity that, di-
22 rectly or indirectly, holds an interest in the re-
23 porting company, the reporting company may
24 report the FinCEN identifier of the entity in

1 lieu of providing the information required by
2 paragraph (2)(A) with respect to the individual.

3 “(4) REGULATIONS.—The Secretary of the
4 Treasury shall—

5 “(A) by regulation prescribe procedures
6 and standards governing any report under
7 paragraph (2) and any FinCEN identifier
8 under paragraph (3); and

9 “(B) in promulgating the regulations
10 under subparagraph (A) to the extent prac-
11 ticable, consistent with the purposes of this sec-
12 tion—

13 “(i) minimize burdens on reporting
14 companies associated with the collection of
15 beneficial ownership information, including
16 by eliminating duplicative requirements;
17 and

18 “(ii) ensure the beneficial ownership
19 information reported to FinCEN is accu-
20 rate, complete, and highly useful.

21 “(5) EFFECTIVE DATE.—The requirements of
22 this subsection shall take effect on the effective date
23 of the regulations prescribed by the Secretary of the
24 Treasury under this subsection, which shall be pro-

1 mulgated not later than 1 year after the date of en-
2 actment of this section.

3 “(6) REPORT.—Not later than 1 year after the
4 effective date described in paragraph (5), and annu-
5 ally thereafter for 2 years, the Secretary of the
6 Treasury shall submit to Congress a report describ-
7 ing the procedures and standards prescribed to carry
8 out paragraph (2), which shall include an assess-
9 ment of—

10 “(A) the effectiveness of those procedures
11 and standards in minimizing reporting burdens
12 (including through the elimination of duplica-
13 tive requirements) and strengthening the accu-
14 racy of reports submitted under paragraph (2);
15 and

16 “(B) any alternative procedures and stand-
17 ards prescribed to carry out paragraph (2).

18 “(c) RETENTION AND DISCLOSURE OF BENEFICIAL
19 OWNERSHIP INFORMATION BY FINCEN.—

20 “(1) RETENTION OF INFORMATION.—Beneficial
21 ownership information required under subsection (b)
22 relating to each reporting company shall be main-
23 tained by FinCEN for not fewer than 5 years after
24 the date on which the reporting company terminates.

25 “(2) DISCLOSURE.—

1 “(A) PROHIBITION.—Except as authorized
2 by this subsection and the protocols promul-
3 gated under this subsection, beneficial owner-
4 ship information reported under this section
5 shall be confidential and may not be disclosed
6 by—

7 “(i) an officer or employee of the
8 United States;

9 “(ii) an officer or employee of any
10 State, local, or Tribal agency; or

11 “(iii) an officer or employee of any fi-
12 nancial institution or regulatory agency re-
13 ceiving information under this subsection.

14 “(B) SCOPE OF DISCLOSURE BY FINCEN.—
15 FinCEN may disclose beneficial ownership in-
16 formation reported pursuant to this section only
17 upon receipt of—

18 “(i) a request, through appropriate
19 protocols—

20 “(I) from a Federal agency en-
21 gaged in national security, intel-
22 ligence, or law enforcement activity,
23 for use in furtherance of such activity;
24 or

1 “(II) from a State, local, or Trib-
2 al law enforcement agency, if a court
3 of competent jurisdiction, including
4 any officer of such a court, has au-
5 thorized the law enforcement agency
6 to seek the information in a criminal
7 or civil investigation;

8 “(ii) a request from a Federal agency
9 on behalf of a law enforcement agency,
10 prosecutor, or judge of another country, in-
11 cluding a foreign central authority or com-
12 petent authority (or like designation),
13 under an international treaty, agreement,
14 convention, or official request made by law
15 enforcement, judicial, or prosecutorial au-
16 thorities in trusted foreign countries when
17 no treaty, agreement, or convention is
18 available—

19 “(I) issued in response to a re-
20 quest for assistance in an investiga-
21 tion or prosecution by such foreign
22 country; and

23 “(II) that—

24 “(aa) requires compliance
25 with the disclosure and use provi-

1 sions of the treaty, agreement, or
2 convention, publicly disclosing
3 any beneficial ownership informa-
4 tion received; or

5 “(bb) limits the use of the
6 information for any purpose
7 other than the authorized inves-
8 tigation or national security or
9 intelligence activity;

10 “(iii) a request made by a financial
11 institution subject to customer due dili-
12 gence requirements, with the consent of
13 the reporting company, to facilitate the
14 compliance of the financial institution with
15 customer due diligence requirements under
16 applicable law; or

17 “(iv) a request made by a Federal
18 functional regulator or other appropriate
19 regulatory agency consistent with the re-
20 quirements of subparagraph (C).

21 “(C) FORM AND MANNER OF DISCLOSURE
22 TO FINANCIAL INSTITUTIONS AND REGULATORY
23 AGENCIES.—The Secretary of the Treasury
24 shall, by regulation, prescribe the form and
25 manner in which information shall be provided

1 to a financial institution under subparagraph
2 (B)(iii), which regulation shall include that the
3 information shall also be available to a Federal
4 functional regulator or other appropriate regu-
5 latory agency, as determined by the Secretary,
6 if the agency—

7 “(i) is authorized by law to assess, su-
8 pervise, enforce, or otherwise determine the
9 compliance of the financial institution with
10 the requirements described in that sub-
11 paragraph;

12 “(ii) uses the information solely for
13 the purpose of conducting the assessment,
14 supervision, or authorized investigation or
15 activity described in clause (i); and

16 “(iii) enters into an agreement with
17 the Secretary providing for appropriate
18 protocols governing the safekeeping of the
19 information.

20 “(3) APPROPRIATE PROTOCOLS.—The Sec-
21 retary of the Treasury shall establish by regulation
22 protocols described in paragraph (2)(A) that—

23 “(A) protect the security and confiden-
24 tiality of any beneficial ownership information
25 provided directly by the Secretary;

1 “(B) require the head of any requesting
2 agency, on a non-delegable basis, to approve the
3 standards and procedures utilized by the re-
4 questing agency and certify to the Secretary
5 semi-annually that such standards and proce-
6 dures are in compliance with the requirements
7 of this paragraph;

8 “(C) require the requesting agency to es-
9 tablish and maintain, to the satisfaction of the
10 Secretary, a secure system in which such bene-
11 ficial ownership information provided directly
12 by the Secretary shall be stored;

13 “(D) require the requesting agency to fur-
14 nish a report to the Secretary, at such time and
15 containing such information as the Secretary
16 may prescribe, that describes the procedures es-
17 tablished and utilized by such agency to ensure
18 the confidentiality of the beneficial ownership
19 information provided directly by the Secretary;

20 “(E) require a written certification for
21 each authorized investigation or other activity
22 described in paragraph (2) from the head of an
23 agency described in paragraph (2)(B)(i)(I), or
24 their designees, that—

1 “(i) states that applicable require-
2 ments have been met, in such form and
3 manner as the Secretary may prescribe;
4 and

5 “(ii) at a minimum, sets forth the
6 specific reason or reasons why the bene-
7 ficial ownership information is relevant to
8 an authorized investigation or other activ-
9 ity described in paragraph (2);

10 “(F) require the requesting agency to
11 limit, to the greatest extent practicable, the
12 scope of information sought, consistent with the
13 purposes for seeking beneficial ownership infor-
14 mation;

15 “(G) restrict, to the satisfaction of the
16 Secretary, access to beneficial ownership infor-
17 mation to whom disclosure may be made under
18 the provisions of this section to only users at
19 the requesting agency—

20 “(i) who are directly engaged in the
21 authorized investigation or activity de-
22 scribed in paragraph (2);

23 “(ii) whose duties or responsibilities
24 require such access;

25 “(iii) who—

1 “(I) have undergone appropriate
2 training; or

3 “(II) use staff to access the data-
4 base who have undergone appropriate
5 training;

6 “(iv) who use appropriate identity
7 verification mechanisms to obtain access to
8 the information; and

9 “(v) who are authorized by agreement
10 with the Secretary to access the informa-
11 tion;

12 “(H) require the requesting agency to es-
13 tablish and maintain, to the satisfaction of the
14 Secretary, a permanent system of standardized
15 records with respect to an auditable trail of
16 each request for beneficial ownership informa-
17 tion submitted to the Secretary by the agency,
18 including the reason for the request, the name
19 of the individual who made the request, the
20 date of the request, any disclosure of beneficial
21 ownership information made by or to the agen-
22 cy, and any other information the Secretary of
23 the Treasury determines is appropriate;

24 “(I) require that the requesting agency re-
25 ceiving beneficial ownership information from

1 the Secretary conduct an annual audit to verify
2 that the beneficial ownership information re-
3 ceived from the Secretary has been accessed
4 and used appropriately, and in a manner con-
5 sistent with this paragraph and provide the re-
6 sults of that audit to the Secretary upon re-
7 quest;

8 “(J) require the Secretary to conduct an
9 annual audit of the adherence of the agencies to
10 the protocols established under this paragraph
11 to ensure that agencies are requesting and
12 using beneficial ownership information appro-
13 priately; and

14 “(K) provide such other safeguards which
15 the Secretary determines (and which the Sec-
16 retary prescribes in regulations) to be necessary
17 or appropriate to protect the confidentiality of
18 the beneficial ownership information.

19 “(4) VIOLATION OF PROTOCOLS.—Any em-
20 ployee or officer of a requesting agency under para-
21 graph (2)(B) that violates the protocols described in
22 paragraph (3), including unauthorized disclosure or
23 use, shall be subject to criminal and civil penalties
24 under subsection (h)(3)(B).

1 “(5) DEPARTMENT OF THE TREASURY AC-
2 CESS.—

3 “(A) IN GENERAL.—Beneficial ownership
4 information shall be accessible for inspection or
5 disclosure to officers and employees of the De-
6 partment of the Treasury whose official duties
7 require such inspection or disclosure subject to
8 procedures and safeguards prescribed by the
9 Secretary of the Treasury.

10 “(B) TAX ADMINISTRATION PURPOSES.—
11 Officers and employees of the Department of
12 the Treasury may obtain access to beneficial
13 ownership information for tax administration
14 purposes in accordance with this subsection.

15 “(6) REJECTION OF REQUEST.—The Secretary
16 of the Treasury—

17 “(A) shall reject a request not submitted
18 in the form and manner prescribed by the Sec-
19 retary under paragraph (2)(C); and

20 “(B) may decline to provide information
21 requested under this subsection upon finding
22 that—

23 “(i) the requesting agency has failed
24 to meet any other requirement of this sub-
25 section;

1 “(ii) the information is being re-
2 requested for an unlawful purpose; or

3 “(iii) other good cause exists to deny
4 the request.

5 “(7) SUSPENSION.—The Secretary of the
6 Treasury may suspend or debar a requesting agency
7 from access for any of the grounds set forth in para-
8 graph (6), including for repeated or serious viola-
9 tions of any requirement under paragraph (2).

10 “(8) SECURITY PROTECTIONS.—The Secretary
11 of the Treasury shall maintain information security
12 protections, including encryption, for information re-
13 ported to FinCEN under subsection (b) and ensure
14 that the protections—

15 “(A) are consistent with standards and
16 guidelines developed under subchapter II of
17 chapter 35 of title 44; and

18 “(B) incorporate Federal information sys-
19 tem security controls for high-impact systems,
20 excluding national security systems, consistent
21 with applicable law to prevent the loss of con-
22 fidentiality, integrity, or availability of informa-
23 tion that may have a severe or catastrophic ad-
24 verse effect.

1 “(9) REPORT BY THE SECRETARY.—Not later
2 than 1 year after the effective date of the regula-
3 tions prescribed under this subsection, and annually
4 thereafter for 5 years, the Secretary of the Treasury
5 shall submit to the Committee on Banking, Housing,
6 and Urban Affairs of the Senate and the Committee
7 on Financial Services of the House of Representa-
8 tives a report, which—

9 “(A) may include a classified annex; and

10 “(B) shall, with respect to each request
11 submitted under paragraph (2)(B)(i)(II) during
12 the period covered by the report, and consistent
13 with protocols established by the Secretary that
14 are necessary to protect law enforcement sen-
15 sitive, tax-related, or classified information, in-
16 clude—

17 “(i) the date on which the request was
18 submitted;

19 “(ii) the source of the request;

20 “(iii) whether the request was accept-
21 ed or rejected or is pending; and

22 “(iv) a general description of the basis
23 for rejecting the such request, if applicable.

24 “(10) AUDIT BY THE COMPTROLLER GEN-
25 ERAL.—Not later than 1 year after the effective date

1 of the regulations prescribed under this subsection,
2 and annually thereafter for 6 years, the Comptroller
3 General of the United States shall—

4 “(A) audit the procedures and safeguards
5 established by the Secretary of the Treasury
6 under those regulations, including duties for
7 verification of requesting agencies systems and
8 adherence to the protocols established under
9 this subsection, to determine whether such safe-
10 guards and procedures meet the requirements
11 of this subsection and that the Department of
12 the Treasury is using beneficial ownership in-
13 formation appropriately in a manner consistent
14 with this subsection; and

15 “(B) submit to the Secretary of the Treas-
16 ury, the Committee on Banking, Housing, and
17 Urban Affairs of the Senate, and the Com-
18 mittee on Financial Services of the House of
19 Representatives a report that contains the find-
20 ings and determinations with respect to any
21 audit conducted under this paragraph.

22 “(11) DEPARTMENT OF THE TREASURY TESTI-
23 MONY.—

24 “(A) IN GENERAL.—Not later than March
25 31 of each year for 5 years beginning in 2022,

1 the Director shall be made available to testify
2 before the Committee on Banking, Housing,
3 and Urban Affairs of the Senate and the Com-
4 mittee on Financial Services of the House of
5 Representatives, or an appropriate sub-
6 committee thereof, regarding FinCEN issues,
7 including, specifically, issues relating to—

8 “(i) anticipated plans, goals, and re-
9 sources necessary for operations of
10 FinCEN in implementing the requirements
11 of the Anti-Money Laundering Act of 2020
12 and the amendments made by that Act;

13 “(ii) the adequacy of appropriations
14 for FinCEN in the current and the pre-
15 vious fiscal year to—

16 “(I) ensure that the requirements
17 and obligations imposed upon
18 FinCEN by the Anti-Money Laun-
19 dering Act of 2020 and the amend-
20 ments made by that Act are com-
21 pleted as efficiently, effectively, and
22 expeditiously as possible; and

23 “(II) provide for robust and ef-
24 fective implementation and enforce-
25 ment of the provisions of the Anti-

1 Money Laundering Act of 2020 and
2 the amendments made by that Act;

3 “(iii) strengthen FinCEN manage-
4 ment efforts, as necessary and as identified
5 by the Director, to meet the requirements
6 of the Anti-Money Laundering Act of 2020
7 and the amendments made by that Act;

8 “(iv) provide for the necessary public
9 outreach to ensure the broad dissemination
10 of information regarding any new program
11 requirements provided for in the Anti-
12 Money Laundering Act of 2020 and the
13 amendments made by that Act, includ-
14 ing—

15 “(I) educating the business com-
16 munity on the goals and operations of
17 the new beneficial ownership database;
18 and

19 “(II) disseminating to the gov-
20 ernments of countries that are allies
21 or partners of the United States infor-
22 mation on best practices developed by
23 FinCEN related to beneficial owner-
24 ship information retention and use;

1 “(v) any policy recommendations that
2 could facilitate and improve communication
3 and coordination between the private sec-
4 tor, FinCEN, and the Federal, State, and
5 local agencies and entities involved in im-
6 plementing innovative approaches to meet
7 their obligations under the Anti-Money
8 Laundering Act of 2020 and the amend-
9 ments made by that Act, the Bank Secrecy
10 Act (as defined in section 6003 of the
11 Anti-Money Laundering Act of 2020), and
12 other anti-money laundering compliance
13 laws; and

14 “(vi) any other matter that the Direc-
15 tor determines is appropriate.

16 “(B) TESTIMONY CLASSIFICATION.—The
17 testimony required under subparagraph (A)—

18 “(i) shall be submitted in unclassified
19 form; and

20 “(ii) may include a classified portion.

21 “(d) AGENCY COORDINATION.—

22 “(1) IN GENERAL.—The Secretary of the
23 Treasury shall, to the greatest extent practicable,
24 update the information described in subsection (b)

1 by working collaboratively with other relevant Fed-
2 eral, State, and Tribal agencies.

3 “(2) INFORMATION FROM RELEVANT FEDERAL,
4 STATE, AND TRIBAL AGENCIES.—Relevant Federal,
5 State, and Tribal agencies, as determined by the
6 Secretary of the Treasury, shall, to the extent prac-
7 ticable, and consistent with applicable legal protec-
8 tions, cooperate with and provide information re-
9 quested by FinCEN for purposes of maintaining an
10 accurate, complete, and highly useful database for
11 beneficial ownership information.

12 “(3) REGULATIONS.—The Secretary of the
13 Treasury, in consultation with the heads of other
14 relevant Federal agencies, may promulgate regula-
15 tions as necessary to carry out this subsection.

16 “(e) NOTIFICATION OF FEDERAL OBLIGATIONS.—

17 “(1) FEDERAL.—The Secretary of the Treasury
18 shall take reasonable steps to provide notice to per-
19 sons of their obligations to report beneficial owner-
20 ship information under this section, including by
21 causing appropriate informational materials describ-
22 ing such obligations to be included in 1 or more
23 forms or other informational materials regularly dis-
24 tributed by the Internal Revenue Service and
25 FinCEN.

1 “(2) STATES AND INDIAN TRIBES.—

2 “(A) IN GENERAL.—As a condition of the
3 funds made available under this section, each
4 State and Indian Tribe shall, not later than 2
5 years after the effective date of the regulations
6 promulgated under subsection (b)(4), take the
7 following actions:

8 “(i) The secretary of a State or a
9 similar office in each State or Indian Tribe
10 responsible for the formation or registra-
11 tion of entities created by the filing of a
12 public document with the office under the
13 law of the State or Indian Tribe shall peri-
14 odically, including at the time of any initial
15 formation or registration of an entity, as-
16 sessment of an annual fee, or renewal of
17 any license to do business in the United
18 States and in connection with State or In-
19 dian Tribe corporate tax assessments or
20 renewals—

21 “(I) notify filers of their require-
22 ments as reporting companies under
23 this section, including the require-
24 ments to file and update reports

1 under paragraphs (1) and (2) of sub-
2 section (b); and

3 “(II) provide the filers with a
4 copy of the reporting company form
5 created by the Secretary of the Treas-
6 ury under this subsection or an inter-
7 net link to that form.

8 “(ii) The secretary of a State or a
9 similar office in each State or Indian Tribe
10 responsible for the formation or registra-
11 tion of entities created by the filing of a
12 public document with the office under the
13 law of the State or Indian Tribes shall up-
14 date the websites, forms relating to incor-
15 poration, and physical premises of the of-
16 fice to notify filers of their requirements as
17 reporting companies under this section, in-
18 cluding providing an internet link to the
19 reporting company form created by the
20 Secretary of the Treasury under this sec-
21 tion.

22 “(B) NOTIFICATION FROM THE DEPART-
23 MENT OF THE TREASURY.—A notification
24 under clause (i) or (ii) of subparagraph (A)
25 shall explicitly state that the notification is on

1 behalf of the Department of the Treasury for
2 the purpose of preventing money laundering,
3 the financing of terrorism, proliferation financ-
4 ing, serious tax fraud, and other financial crime
5 by requiring nonpublic registration of business
6 entities formed or registered to do business in
7 the United States.

8 “(f) NO BEARER SHARE CORPORATIONS OR LIMITED
9 LIABILITY COMPANIES.—A corporation, limited liability
10 company, or other similar entity formed under the laws
11 of a State or Indian Tribe may not issue a certificate in
12 bearer form evidencing either a whole or fractional interest
13 in the entity.

14 “(g) REGULATIONS.—In promulgating regulations
15 carrying out this section, the Director shall reach out to
16 members of the small business community and other ap-
17 propriate parties to ensure efficiency and effectiveness of
18 the process for the entities subject to the requirements of
19 this section.

20 “(h) PENALTIES.—

21 “(1) REPORTING VIOLATIONS.—It shall be un-
22 lawful for any person to—

23 “(A) willfully provide, or attempt to pro-
24 vide, false or fraudulent beneficial ownership in-
25 formation, including a false or fraudulent iden-

1 tifying photograph or document, to FinCEN in
2 accordance with subsection (b); or

3 “(B) willfully fail to report complete or up-
4 dated beneficial ownership information to
5 FinCEN in accordance with subsection (b).

6 “(2) UNAUTHORIZED DISCLOSURE OR USE.—
7 Except as authorized by this section, it shall be un-
8 lawful for any person to knowingly disclose or know-
9 ingly use the beneficial ownership information ob-
10 tained by the person through—

11 “(A) a report submitted to FinCEN under
12 subsection (b); or

13 “(B) a disclosure made by FinCEN under
14 subsection (c).

15 “(3) CRIMINAL AND CIVIL PENALTIES.—

16 “(A) REPORTING VIOLATIONS.—Any per-
17 son that violates subparagraph (A) or (B) of
18 paragraph (1)—

19 “(i) shall be liable to the United
20 States for a civil penalty of not more than
21 \$500 for each day that the violation con-
22 tinues or has not been remedied; and

23 “(ii) may be fined not more than
24 \$10,000, imprisoned for not more than 2
25 years, or both.

1 “(B) UNAUTHORIZED DISCLOSURE OR USE
2 VIOLATIONS.—Any person that violates para-
3 graph (2)—

4 “(i) shall be liable to the United
5 States for a civil penalty of not more than
6 \$500 for each day that the violation con-
7 tinues or has not been remedied; and

8 “(ii)(I) shall be fined not more than
9 \$250,000, or imprisoned for not more than
10 5 years, or both; or

11 “(II) while violating another law of
12 the United States or as part of a pattern
13 of any illegal activity involving more than
14 \$100,000 in a 12-month period, shall be
15 fined not more than \$500,000, imprisoned
16 for not more than 10 years, or both.

17 “(C) SAFE HARBOR.—

18 “(i) SAFE HARBOR.—

19 “(I) IN GENERAL.—Except as
20 provided in subclause (II), a person
21 shall not be subject to civil or criminal
22 penalty under subparagraph (A) if the
23 person—

24 “(aa) has reason to believe
25 that any report submitted by the

3001

1 person in accordance with sub-
2 section (b) contains inaccurate
3 information; and

4 “(bb) in accordance with
5 regulations issued by the Sec-
6 retary, voluntarily and promptly,
7 and in no case later than 90 days
8 after the date on which the per-
9 son submitted the report, submits
10 a report containing corrected in-
11 formation.

12 “(II) EXCEPTIONS.—A person
13 shall not be exempt from penalty
14 under clause (i) if, at the time the
15 person submits the report required by
16 subsection (b), the person—

17 “(aa) acts for the purpose of
18 evading the reporting require-
19 ments under subsection (b); and

20 “(bb) has actual knowledge
21 that any information contained in
22 the report is inaccurate.

23 “(ii) ASSISTANCE.—FinCEN shall
24 provide assistance to any person seeking to

1 submit a corrected report in accordance
2 with clause (i)(I).

3 “(4) USER COMPLAINT PROCESS.—

4 “(A) IN GENERAL.—The Inspector General
5 of the Department of the Treasury, in coordina-
6 tion with the Secretary of the Treasury, shall
7 provide public contact information to receive ex-
8 ternal comments or complaints regarding the
9 beneficial ownership information notification
10 and collection process or regarding the accu-
11 racy, completeness, or timeliness of such infor-
12 mation.

13 “(B) REPORT.—The Inspector General of
14 the Department of the Treasury shall submit to
15 Congress a periodic report that—

16 “(i) summarizes external comments or
17 complaints and related investigations con-
18 ducted by the Inspector General related to
19 the collection of beneficial ownership infor-
20 mation; and

21 “(ii) includes recommendations, in co-
22 ordination with FinCEN, to improve the
23 form and manner of the notification, col-
24 lection and updating processes of the bene-
25 ficial ownership information reporting re-

1 requirements to ensure the beneficial owner-
2 ship information reported to FinCEN is
3 accurate, complete, and highly useful.

4 “(5) TREASURY OFFICE OF INSPECTOR GEN-
5 ERAL INVESTIGATION IN THE EVENT OF A CYBERSE-
6 CURITY BREACH.—

7 “(A) IN GENERAL.—In the event of a cy-
8 bersecurity breach that results in substantial
9 unauthorized access and disclosure of sensitive
10 beneficial ownership information, the Inspector
11 General of the Department of the Treasury
12 shall conduct an investigation into FinCEN cy-
13 bersecurity practices that, to the extent pos-
14 sible, determines any vulnerabilities within
15 FinCEN information security and confiden-
16 tiality protocols and provides recommendations
17 for fixing those deficiencies.

18 “(B) REPORT.—The Inspector General of
19 the Department of the Treasury shall submit to
20 the Secretary of the Treasury a report on each
21 investigation conducted under subparagraph
22 (A).

23 “(C) ACTIONS OF THE SECRETARY.—Upon
24 receiving a report submitted under subpara-

1 graph (B), the Secretary of the Treasury
2 shall—

3 “(i) determine whether the Director
4 had any responsibility for the cybersecurity
5 breach or whether policies, practices, or
6 procedures implemented at the direction of
7 the Director led to the cybersecurity
8 breach; and

9 “(ii) submit to Congress a written re-
10 port outlining the findings of the Sec-
11 retary, including a determination by the
12 Secretary on whether to retain or dismiss
13 the individual serving as the Director.

14 “(6) DEFINITION.—In this subsection, the term
15 ‘willfully’ means the voluntary, intentional violation
16 of a known legal duty.

17 “(i) CONTINUOUS REVIEW OF EXEMPT ENTITIES.—

18 “(1) IN GENERAL.—On and after the effective
19 date of the regulations promulgated under sub-
20 section (b)(4), if the Secretary of the Treasury
21 makes a determination, which may be based on in-
22 formation contained in the report required under
23 section 6502(c) of the Anti-Money Laundering Act
24 of 2020 or on any other information available to the
25 Secretary, that an entity or class of entities de-

1 scribed in subsection (a)(11)(B) has been involved in
2 significant abuse relating to money laundering, the
3 financing of terrorism, proliferation finance, serious
4 tax fraud, or any other financial crime, not later
5 than 90 days after the date on which the Secretary
6 makes the determination, the Secretary shall submit
7 to the Committee on Banking, Housing, and Urban
8 Affairs of the Senate and the Committee on Finan-
9 cial Services of the House of Representatives a re-
10 port that explains the reasons for the determination
11 and any administrative or legislative recommenda-
12 tions to prevent such abuse.

13 “(2) CLASSIFIED ANNEX.—The report required
14 by paragraph (1)—

15 “(A) shall be submitted in unclassified
16 form; and

17 “(B) may include a classified annex.”.

18 (b) CONFORMING AMENDMENTS.—Title 31, United
19 States Code, is amended—

20 (1) in section 5321(a)—

21 (A) in paragraph (1), by striking “sections
22 5314 and 5315” each place that term appears
23 and inserting “sections 5314, 5315, and 5336”;
24 and

1 (B) in paragraph (6), by inserting “(except
2 section 5336)” after “subchapter” each place
3 that term appears;

4 (2) in section 5322, by striking “section 5315
5 or 5324” each place that term appears and inserting
6 “section 5315, 5324, or 5336”; and

7 (3) in the table of sections for chapter 53, as
8 amended by sections 6306(b)(1), 6307(b), and
9 6313(b) of this division, by adding at the end the
10 following:

“5336. Beneficial ownership information reporting requirements.”.

11 (c) REPORTING REQUIREMENTS FOR FEDERAL CON-
12 TRACTORS.—

13 (1) IN GENERAL.—Not later than 2 years after
14 the date of enactment of this Act, the Administrator
15 for Federal Procurement Policy shall revise the Fed-
16 eral Acquisition Regulation maintained under section
17 1303(a)(1) of title 41, United States Code, to re-
18 quire any contractor or subcontractor that is subject
19 to the requirement to disclose beneficial ownership
20 information under section 5336 of title 31, United
21 States Code, as added by subsection (a) of this sec-
22 tion, to provide the information required to be dis-
23 closed under such section to the Federal Government
24 as part of any bid or proposal for a contract with
25 a value threshold in excess of the simplified acquisi-

1 tion threshold under section 134 of title 41, United
2 States Code.

3 (2) APPLICABILITY.—The revision required
4 under paragraph (1) shall not apply to a covered
5 contractor or subcontractor, as defined in section
6 847 of the National Defense Authorization Act for
7 Fiscal Year 2020 (Public Law 116–92), that is sub-
8 ject to the beneficial ownership disclosure and review
9 requirements under that section.

10 (d) REVISED DUE DILIGENCE RULEMAKING.—

11 (1) IN GENERAL.—Not later than 1 year after
12 the effective date of the regulations promulgated
13 under section 5336(b)(4) of title 31, United States
14 Code, as added by subsection (a) of this section, the
15 Secretary of the Treasury shall revise the final rule
16 entitled “Customer Due Diligence Requirements for
17 Financial Institutions” (81 Fed. Reg. 29397 (May
18 11, 2016)) to—

19 (A) bring the rule into conformance with
20 this division and the amendments made by this
21 division;

22 (B) account for the access of financial in-
23 stitutions to beneficial ownership information
24 filed by reporting companies under section
25 5336, and provided in the form and manner

1 prescribed by the Secretary, in order to confirm
2 the beneficial ownership information provided
3 directly to the financial institutions to facilitate
4 the compliance of those financial institutions
5 with anti-money laundering, countering the fi-
6 nancing of terrorism, and customer due dili-
7 gence requirements under applicable law; and

8 (C) reduce any burdens on financial insti-
9 tutions and legal entity customers that are, in
10 light of the enactment of this division and the
11 amendments made by this division, unnecessary
12 or duplicative.

13 (2) CONFORMANCE.—

14 (A) IN GENERAL.—In carrying out para-
15 graph (1), the Secretary of the Treasury shall
16 rescind paragraphs (b) through (j) of section
17 1010.230 of title 31, Code of Federal Regula-
18 tions upon the effective date of the revised rule
19 promulgated under this subsection.

20 (B) RULE OF CONSTRUCTION.—Nothing in
21 this section may be construed to authorize the
22 Secretary of the Treasury to repeal the require-
23 ment that financial institutions identify and
24 verify beneficial owners of legal entity cus-

1 tomers under section 1010.230(a) of title 31,
2 Code of Federal Regulations.

3 (3) CONSIDERATIONS.—In fulfilling the require-
4 ments under this subsection, the Secretary of the
5 Treasury shall consider—

6 (A) the use of risk-based principles for re-
7 quiring reports of beneficial ownership informa-
8 tion;

9 (B) the degree of reliance by financial in-
10 stitutions on information provided by FinCEN
11 for purposes of obtaining and updating bene-
12 ficial ownership information;

13 (C) strategies to improve the accuracy,
14 completeness, and timeliness of the beneficial
15 ownership information reported to the Sec-
16 retary; and

17 (D) any other matter that the Secretary
18 determines is appropriate.

19 **TITLE LXV—MISCELLANEOUS**

- Sec. 6501. Investigations and prosecution of offenses for violations of the securities laws.
- Sec. 6502. GAO and Treasury studies on beneficial ownership information reporting requirements.
- Sec. 6503. GAO study on feedback loops.
- Sec. 6504. GAO CTR study and report.
- Sec. 6505. GAO studies on trafficking.
- Sec. 6506. Treasury study and strategy on trade-based money laundering.
- Sec. 6507. Treasury study and strategy on money laundering by the People's Republic of China.
- Sec. 6508. Treasury and Justice study on the efforts of authoritarian regimes to exploit the financial system of the United States.
- Sec. 6509. Authorization of appropriations.

Sec. 6510. Discretionary surplus funds.

Sec. 6511. Severability.

1 **SECTION 6501. INVESTIGATIONS AND PROSECUTION OF OF-**
2 **FENSES FOR VIOLATIONS OF THE SECURI-**
3 **TIES LAWS.**

4 (a) IN GENERAL.—Section 21(d) of the Securities
5 Exchange Act of 1934 (15 U.S.C. 78u(d)) is amended—

6 (1) in paragraph (3)—

7 (A) in the paragraph heading—

8 (i) by inserting “CIVIL” before
9 “MONEY PENALTIES”; and

10 (ii) by striking “IN CIVIL ACTIONS”
11 and inserting “AND AUTHORITY TO SEEK
12 DISGORGEMENT”;

13 (B) in subparagraph (A), by striking “ju-
14 risdiction to impose” and all that follows
15 through the period at the end and inserting the
16 following: “jurisdiction to—

17 “(i) impose, upon a proper showing, a
18 civil penalty to be paid by the person who
19 committed such violation; and

20 “(ii) require disgorgement under para-
21 graph (7) of any unjust enrichment by the
22 person who received such unjust enrich-
23 ment as a result of such violation.”; and

24 (C) in subparagraph (B)—

1 (i) in clause (i), in the first sentence,
2 by striking “the penalty” and inserting “a
3 civil penalty imposed under subparagraph
4 (A)(i)”;

5 (ii) in clause (ii), by striking “amount
6 of penalty” and inserting “amount of a
7 civil penalty imposed under subparagraph
8 (A)(i)”;

9 (iii) in clause (iii), in the matter pre-
10 ceding item (aa), by striking “amount of
11 penalty for each such violation” and insert-
12 ing “amount of a civil penalty imposed
13 under subparagraph (A)(i) for each viola-
14 tion described in that subparagraph”;

15 (2) in paragraph (4), by inserting “under para-
16 graph (7)” after “funds disgorged”; and

17 (3) by adding at the end the following:

18 “(7) DISGORGEMENT.—In any action or pro-
19 ceeding brought by the Commission under any provi-
20 sion of the securities laws, the Commission may
21 seek, and any Federal court may order,
22 disgorgement.

23 “(8) LIMITATIONS PERIODS.—

1 “(A) DISGORGEMENT.—The Commission
2 may bring a claim for disgorgement under para-
3 graph (7)—

4 “(i) not later than 5 years after the
5 latest date of the violation that gives rise
6 to the action or proceeding in which the
7 Commission seeks the claim occurs; or

8 “(ii) not later than 10 years after the
9 latest date of the violation that gives rise
10 to the action or proceeding in which the
11 Commission seeks the claim if the violation
12 involves conduct that violates—

13 “(I) section 10(b);

14 “(II) section 17(a)(1) of the Se-
15 curities Act of 1933 (15 U.S.C.
16 77q(a)(1));

17 “(III) section 206(1) of the In-
18 vestment Advisers Act of 1940 (15
19 U.S.C. 80b–6(1)); or

20 “(IV) any other provision of the
21 securities laws for which scienter must
22 be established.

23 “(B) EQUITABLE REMEDIES.—The Com-
24 mission may seek a claim for any equitable
25 remedy, including for an injunction or for a

1 bar, suspension, or cease and desist order, not
2 later than 10 years after the latest date on
3 which a violation that gives rise to the claim oc-
4 curs.

5 “(C) CALCULATION.—For the purposes of
6 calculating any limitations period under this
7 paragraph with respect to an action or claim,
8 any time in which the person against which the
9 action or claim, as applicable, is brought is out-
10 side of the United States shall not count to-
11 wards the accrual of that period.

12 “(9) RULE OF CONSTRUCTION.—Nothing in
13 paragraph (7) may be construed as altering any
14 right that any private party may have to maintain
15 a suit for a violation of this Act.”.

16 (b) APPLICABILITY.—The amendments made by sub-
17 section (a) shall apply with respect to any action or pro-
18 ceeding that is pending on, or commenced on or after, the
19 date of enactment of this Act.

20 **SEC. 6502. GAO AND TREASURY STUDIES ON BENEFICIAL**
21 **OWNERSHIP INFORMATION REPORTING RE-**
22 **QUIREMENTS.**

23 (a) EFFECTIVENESS OF INCORPORATION PRACTICES
24 STUDY.—Not later than 2 years after the effective date
25 of the regulations promulgated under section 5336(b)(4)

1 of title 31, United States Code, as added by section
2 6403(a) of this division, the Comptroller General of the
3 United States shall conduct a study and submit to Con-
4 gress a report assessing the effectiveness of incorporation
5 practices implemented under this division, and the amend-
6 ments made by this division, in—

7 (1) providing national security, intelligence, and
8 law enforcement agencies with prompt access to reli-
9 able, useful, and complete beneficial ownership infor-
10 mation; and

11 (2) strengthening the capability of national se-
12 curity, intelligence, and law enforcement agencies
13 to—

14 (A) combat incorporation abuses and civil
15 and criminal misconduct; and

16 (B) detect, prevent, or prosecute money
17 laundering, the financing of terrorism, pro-
18 liferation finance, serious tax fraud, or other
19 crimes.

20 (b) USING TECHNOLOGY TO AVOID DUPLICATIVE
21 LAYERS OF REPORTING OBLIGATIONS AND INCREASE AC-
22 CURACY OF BENEFICIAL OWNERSHIP INFORMATION.—

23 (1) IN GENERAL.—The Secretary, in consulta-
24 tion with the Attorney General, shall conduct a
25 study to evaluate—

1 (A) the effectiveness of using FinCEN
2 identifiers, as defined in section 5336 of title
3 31, United States Code, as added by section
4 6403(a) of this division, or other simplified re-
5 porting methods in order to facilitate a sim-
6 plified beneficial ownership regime for reporting
7 companies;

8 (B) whether a reporting regime, whereby
9 only company shareholders are reported within
10 the ownership chain of a reporting company,
11 could effectively track beneficial ownership in-
12 formation and increase information to law en-
13 forcement;

14 (C) the costs associated with imposing any
15 new verification requirements on FinCEN; and

16 (D) the resources necessary to implement
17 any such changes.

18 (2) FINDINGS.—The Secretary shall submit to
19 the relevant committees of jurisdiction—

20 (A) the findings of the study conducted
21 under paragraph (1); and

22 (B) recommendations for carrying out the
23 findings described in subparagraph (A).

24 (c) EXEMPT ENTITIES.—Not later than 2 years after
25 the effective date of regulations promulgated under section

1 5336(b)(4) of title 31, United States Code, as added by
2 section 6403(a) of this division, the Comptroller General
3 of the United States, in consultation with the Secretary,
4 Federal functional regulators, the Attorney General, the
5 Secretary of Homeland Security, and the intelligence com-
6 munity, shall conduct a study and submit to Congress a
7 report that—

8 (1) reviews the regulated status, related report-
9 ing requirements, quantity, and structure of each
10 class of corporations, limited liability companies, and
11 similar entities that have been explicitly excluded
12 from the definition of reporting company and the re-
13 quirement to report beneficial ownership information
14 under section 5336 of title 31, United States Code,
15 as added by section 6403(a) of this division;

16 (2) assesses the extent to which any excluded
17 entity or class of entities described in paragraph (1)
18 pose significant risks of money laundering, the fi-
19 nancing of terrorism, proliferation finance, serious
20 tax fraud, and other financial crime; and

21 (3) identifies other policy areas related to the
22 risks of exempt entities described in paragraph (1)
23 for Congress to consider as Congress is conducting
24 oversight of the new beneficial ownership informa-

1 tion reporting requirements established by this divi-
2 sion and amendments made by this division.

3 (d) OTHER LEGAL ENTITIES STUDY.—Not later
4 than 2 years after the effective date of the regulations pro-
5 mulgated under section 5336(b)(4) of title 31, United
6 States Code, as added by section 6403(a) of this division,
7 the Comptroller General of the United States shall con-
8 duct a study and submit to Congress a report—

9 (1) identifying each State that has procedures
10 that enable persons to form or register under the
11 laws of the State partnerships, trusts, or other legal
12 entities, and the nature of those procedures;

13 (2) identifying each State that requires persons
14 seeking to form or register partnerships, trusts, or
15 other legal entities under the laws of the State to
16 provide beneficial owners (as defined in section
17 5336(a) of title 31, United States Code, as added by
18 section 6403 of this division) or beneficiaries of
19 those entities, and the nature of the required infor-
20 mation;

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

24 (A) raises concerns about the involvement
25 of those entities in terrorism, money laun-

1 dering, tax evasion, securities fraud, or other
2 misconduct; and

3 (B) has impeded investigations into enti-
4 ties suspected of the misconduct described in
5 subparagraph (A);

6 (4) evaluating whether the failure of the United
7 States to require beneficial ownership information
8 for partnerships and trusts formed or registered in
9 the United States has elicited international criticism;
10 and

11 (5) including what steps, if any, the United
12 States has taken, is planning to take, or should take
13 in response to the criticism described in paragraph
14 (4).

15 **SEC. 6503. GAO STUDY ON FEEDBACK LOOPS.**

16 (a) DEFINITION.—In this section, the term “feedback
17 loop” means feedback provided by the United States Gov-
18 ernment to relevant parties.

19 (b) STUDY.—The Comptroller General of the United
20 States shall conduct a study on—

21 (1) best practices within the United States Gov-
22 ernment for feedback loops, including regulated pri-
23 vate entities, on the usage and usefulness of person-
24 ally identifiable information, sensitive-but-unclassi-
25 fied data, or similar information provided by the

1 parties to United States Government users of the in-
2 formation and data, including law enforcement agen-
3 cies and regulators; and

4 (2) any practice or standard inside or outside
5 the United States for providing feedback through
6 sensitive information and public-private partnership
7 information sharing efforts, specifically related to ef-
8 forts to combat money laundering and other forms
9 of illicit finance.

10 (c) REPORT.—Not later than 18 months after the
11 date of enactment of this Act, the Comptroller General
12 of the United States shall submit to the Committee on
13 Banking, Housing, and Urban Affairs of the Senate and
14 the Committee on Financial Services of the House of Rep-
15 resentatives a report containing—

16 (1) all findings and determinations made in car-
17 rying out the study required under subsection (b);

18 (2) with respect to each of paragraphs (1) and
19 (2) of subsection (b), any best practice or significant
20 concern identified by the Comptroller General, and
21 the applicability to public-private partnerships and
22 feedback loops with respect to efforts by the United
23 States Government to combat money laundering and
24 other forms of illicit finance; and

1 (3) recommendations of the Comptroller Gen-
2 eral to reduce or eliminate any unnecessary collec-
3 tion by the United States Government of the infor-
4 mation described in subsection (b)(1).

5 **SEC. 6504. GAO CTR STUDY AND REPORT.**

6 The Comptroller General of the United States shall—

7 (1) not later than January 1, 2025, commence
8 a study of currency transaction reports, which shall
9 include—

10 (A) a review, carried out in consultation
11 with the Secretary, FinCEN, the Attorney Gen-
12 eral, the State attorneys general, and State,
13 Tribal, and local law enforcement, of the effec-
14 tiveness of the currency transaction reporting
15 regime in effect as of the date of the study;

16 (B) an analysis of the importance of cur-
17 rency transaction reports to law enforcement;
18 and

19 (C) an analysis of the effects of raising the
20 currency transaction report threshold; and

21 (2) not later than December 31, 2025, submit
22 to the Secretary and Congress a report that in-
23 cludes—

1 (A) all findings and determinations made
2 in carrying out the study required under para-
3 graph (1); and

4 (B) recommendations for improving the
5 currency transaction reporting regime.

6 **SEC. 6505. GAO STUDIES ON TRAFFICKING.**

7 (a) DEFINITION OF HUMAN TRAFFICKING.—In this
8 section, the term “human trafficking” has the meaning
9 given the term “severe forms of trafficking in persons”
10 in section 103 of the Trafficking Victims Protection Act
11 of 2000 (22 U.S.C. 7102).

12 (b) GAO STUDY AND REPORT ON STOPPING TRAF-
13 FICKING, ILLICIT FLOWS, LAUNDERING, AND EXPLOI-
14 TATION.—

15 (1) STUDY.—The Comptroller General of the
16 United States shall carry out a study, in consulta-
17 tion with law enforcement, relevant Federal agen-
18 cies, appropriate private sector stakeholders (includ-
19 ing financial institutions and data and technology
20 companies), academic and other research organiza-
21 tions (including survivor and victim advocacy organi-
22 zations), and any other group that the Comptroller
23 General determines is appropriate on—

24 (A) the major trafficking routes used by
25 transnational criminal organizations, terrorists,

1 and others, and to what extent the trafficking
2 routes for people (including children), drugs,
3 weapons, cash, child sexual exploitation mate-
4 rials, or other illicit goods are similar, related,
5 or contiguous;

6 (B) commonly used methods to launder
7 and move the proceeds of trafficking;

8 (C) the types of suspicious financial activ-
9 ity that are associated with illicit trafficking
10 networks, and how financial institutions identify
11 and report such activity;

12 (D) the nexus between the identities and
13 finances of trafficked persons and fraud;

14 (E) the tools, guidance, training, partner-
15 ships, supervision, or other mechanisms that
16 Federal agencies, including FinCEN, the Fed-
17 eral financial regulators, and law enforcement,
18 provide to help financial institutions identify
19 techniques and patterns of transactions that
20 may involve the proceeds of trafficking;

21 (F) what steps financial institutions are
22 taking to detect and prevent bad actors who are
23 laundering the proceeds of illicit trafficking, in-
24 cluding data analysis, policies, training proce-
25 dures, rules, and guidance;

1 (G) what role gatekeepers, such as lawyers,
2 notaries, accountants, investment advisors, lo-
3 gistics agents, and trust and company service
4 providers, play in facilitating trafficking net-
5 works and the laundering of illicit proceeds; and

6 (H) the role that emerging technologies,
7 including artificial intelligence, digital identity
8 technologies, distributed ledger technologies,
9 virtual assets, and related exchanges and online
10 marketplaces, and other innovative technologies,
11 can play in assisting with and potentially ena-
12 bling the laundering of proceeds from traf-
13 ficking.

14 (2) REPORT TO CONGRESS.—Not later than 1
15 year after the date of enactment of this Act, the
16 Comptroller General of the United States shall sub-
17 mit to the Committee on Banking, Housing, and
18 Urban Affairs of the Senate and the Committee on
19 Financial Services of the House of Representatives
20 a report—

21 (A) summarizing the results of the study
22 required under paragraph (1); and

23 (B) that contains any recommendations for
24 legislative or regulatory action that would im-
25 prove the efforts of Federal agencies to combat

1 trafficking or the laundering of proceeds from
2 such activity.

3 (c) GAO STUDY AND REPORT ON FIGHTING ILLICIT
4 NETWORKS AND DETECTING TRAFFICKING.—

5 (1) STUDY.—The Comptroller General of the
6 United States shall conduct a study on how a range
7 of payment systems and methods, including virtual
8 currencies in online marketplaces, are used to facili-
9 tate human trafficking and drug trafficking, which
10 shall consider—

11 (A) how online marketplaces, including the
12 dark web, may be used as platforms to buy,
13 sell, or facilitate the financing of goods or serv-
14 ices associated with human trafficking or drug
15 trafficking, specifically, opioids and synthetic
16 opioids, including fentanyl, fentanyl analogues,
17 and any precursor chemical associated with
18 manufacturing fentanyl or fentanyl analogues,
19 destined for, originating from, or within the
20 United States;

21 (B) how financial payment methods, in-
22 cluding virtual currencies and peer-to-peer mo-
23 bile payment services, may be utilized by online
24 marketplaces to facilitate the buying, selling, or
25 financing of goods and services associated with

1 human trafficking or drug trafficking destined
2 for, originating from, or within the United
3 States;

4 (C) how virtual currencies may be used to
5 facilitate the buying, selling, or financing of
6 goods and services associated with human traf-
7 ficking or drug trafficking, destined for, origi-
8 nating from, or within the United States, when
9 an online platform is not otherwise involved;

10 (D) how illicit funds that have been trans-
11 mitted online and through virtual currencies are
12 repatriated into the formal banking system of
13 the United States through money laundering or
14 other means;

15 (E) the participants, including State and
16 non-State actors, throughout the entire supply
17 chain that may participate in or benefit from
18 the buying, selling, or financing of goods and
19 services associated with human trafficking or
20 drug trafficking, including through online mar-
21 ketplaces or using virtual currencies, destined
22 for, originating from, or within the United
23 States;

24 (F) Federal and State agency efforts to
25 impede the buying, selling, or financing of

1 goods and services associated with human traf-
2 ficking or drug trafficking destined for, origi-
3 nating from, or within the United States, in-
4 cluding efforts to prevent the proceeds from
5 human trafficking or drug trafficking from en-
6 tering the United States banking system;

7 (G) how virtual currencies and their under-
8 lying technologies can be used to detect and
9 deter these illicit activities; and

10 (H) to what extent immutability and
11 traceability of virtual currencies can contribute
12 to the tracking and prosecution of illicit fund-
13 ing.

14 (2) REPORT TO CONGRESS.—Not later than 1
15 year after the date of enactment of this Act, the
16 Comptroller General of the United States shall sub-
17 mit to the Committee on Banking, Housing, and
18 Urban Affairs of the Senate and the Committee on
19 Financial Services of the House of Representatives
20 a report—

21 (A) summarizing the results of the study
22 required under paragraph (1); and

23 (B) that contains any recommendations for
24 legislative or regulatory action that would im-
25 prove the efforts of Federal agencies to impede

1 the use of virtual currencies and online market-
2 places in facilitating human trafficking and
3 drug trafficking.

4 **SEC. 6506. TREASURY STUDY AND STRATEGY ON TRADE-**
5 **BASED MONEY LAUNDERING.**

6 (a) STUDY REQUIRED.—

7 (1) IN GENERAL.—The Secretary shall carry
8 out a study, in consultation with appropriate private
9 sector stakeholders, academic and other inter-
10 national trade experts, and Federal agencies, on
11 trade-based money laundering.

12 (2) CONTRACTING AUTHORITY.—The Secretary
13 may enter into a contract with a private third-party
14 entity to carry out the study required by paragraph
15 (1).

16 (b) REPORT REQUIRED.—

17 (1) IN GENERAL.—Not later than 1 year after
18 the date of enactment of this Act, the Secretary
19 shall submit to Congress a report that includes—

20 (A) all findings and determinations made
21 in carrying out the study required under sub-
22 section (a); and

23 (B) proposed strategies to combat trade-
24 based money laundering.

1 (2) CLASSIFIED ANNEX.—The report required
2 under paragraph (1)—

3 (A) shall be submitted in unclassified form;

4 and

5 (B) may include a classified annex.

6 **SEC. 6507. TREASURY STUDY AND STRATEGY ON MONEY**
7 **LAUNDERING BY THE PEOPLE’S REPUBLIC**
8 **OF CHINA.**

9 (a) STUDY.—The Secretary shall carry out a study,
10 which shall rely substantially on information obtained
11 through the trade-based money laundering analyses con-
12 ducted by the Comptroller General of the United States,
13 on—

14 (1) the extent and effect of illicit finance risk
15 relating to the Government of the People’s Republic
16 of China and Chinese firms, including financial insti-
17 tutions;

18 (2) an assessment of the illicit finance risks
19 emanating from the People’s Republic of China;

20 (3) those risks allowed, directly or indirectly, by
21 the Government of the People’s Republic of China,
22 including those enabled by weak regulatory or ad-
23 ministrative controls of that government; and

24 (4) the ways in which the increasing amount of
25 global trade and investment by the Government of

1 the People's Republic of China and Chinese firms
2 exposes the international financial system to in-
3 creased risk relating to illicit finance.

4 (b) STRATEGY TO COUNTER CHINESE MONEY LAUN-
5 DERING.—Upon the completion of the study required
6 under subsection (a), the Secretary, in consultation with
7 such other Federal agencies as the Secretary determines
8 appropriate, shall develop a strategy to combat Chinese
9 money laundering activities.

10 (c) REPORT.—Not later than 1 year after the date
11 of enactment of this Act, the Secretary shall submit to
12 Congress a report containing—

13 (1) all findings and determinations made in car-
14 rying out the study required under subsection (a);
15 and

16 (2) the strategy developed under subsection (b).

17 (d) CLASSIFIED ANNEX.—The report required by
18 subsection (c)—

19 (1) shall be submitted in unclassified form; and

20 (2) may include a classified annex.

1 **SEC. 6508. TREASURY AND JUSTICE STUDY ON THE EF-**
2 **FORTS OF AUTHORITARIAN REGIMES TO EX-**
3 **PLOIT THE FINANCIAL SYSTEM OF THE**
4 **UNITED STATES.**

5 (a) IN GENERAL.—Not later than 1 year after the
6 date of enactment of this Act, the Secretary and the Attor-
7 ney General, in consultation with the heads of other rel-
8 evant national security, intelligence, and law enforcement
9 agencies, shall conduct a study that considers how authori-
10 tarian regimes in foreign countries and their proxies use
11 the financial system of the United States to—

- 12 (1) conduct political influence operations;
- 13 (2) sustain kleptocratic methods of maintaining
14 power;
- 15 (3) export corruption;
- 16 (4) fund nongovernmental organizations, media
17 organizations, or academic initiatives in the United
18 States to advance the interests of those regimes; and
- 19 (5) otherwise undermine democratic governance
20 in the United States and the partners and allies of
21 the United States.

22 (b) REPORT.—Not later than 2 years after the date
23 of enactment of this Act, the Secretary shall submit to
24 the Committee on Banking, Housing, and Urban Affairs
25 of the Senate and the Committee on Financial Services
26 of the House of Representatives a report that contains—

1 (1) the results of the study required under sub-
2 section (a); and

3 (2) any recommendations for legislative or regu-
4 latory action, or steps to be taken by United States
5 financial institutions, that would address exploitation
6 of the financial system of the United States by for-
7 eign authoritarian regimes.

8 **SEC. 6509. AUTHORIZATION OF APPROPRIATIONS.**

9 (a) IN GENERAL.—Subsection (l) of section 310, of
10 title 31, United States Code, as redesignated by section
11 6103(1) of this division, is amended by striking paragraph
12 (1) and inserting the following:

13 “(1) IN GENERAL.—There are authorized to be
14 appropriated to FinCEN to carry out this section, to
15 remain available until expended—

16 “(A) \$136,000,000 for fiscal year 2021;

17 “(B) \$60,000,000 for fiscal year 2022; and

18 “(C) \$35,000,000 for each of fiscal years
19 2023 through 2026.”.

20 (b) BENEFICIAL OWNERSHIP INFORMATION REPORT-
21 ING REQUIREMENTS.—Section 5336 of title 31, United
22 States Code, as added by section 6403(a) of this division,
23 is amended by adding at the end the following:

24 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
25 are authorized to be appropriated to FinCEN for each of

1 the 3 fiscal years beginning on the effective date of the
2 regulations promulgated under subsection (b)(4), such
3 sums as may be necessary to carry out this section, includ-
4 ing allocating funds to the States to pay reasonable costs
5 relating to compliance with the requirements of such sec-
6 tion.”.

7 **SEC. 6510. DISCRETIONARY SURPLUS FUNDS.**

8 The dollar amount specified under section 7(a)(3)(A)
9 of the Federal Reserve Act (12 U.S.C. 289(a)(3)(A)) is
10 reduced by \$40,000,000.

11 **SEC. 6511. SEVERABILITY.**

12 If any provision of this division, an amendment made
13 by this division, or the application of such provision or
14 amendment to any person or circumstance is held to be
15 unconstitutional, the remainder of this division, the
16 amendments made by this division, and the application of
17 the provisions of such to any person or circumstance shall
18 not be affected thereby.

19 **DIVISION G—ELIJAH E. CUM-**
20 **MINGS COAST GUARD AU-**
21 **THORIZATION ACT OF 2020**

22 **SEC. 8001. SHORT TITLE.**

23 This division may be cited as the “Elijah E. Cum-
24 mings Coast Guard Authorization Act of 2020”.