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CBA

May 20, 2019

HELPING FINANCE THE AMERICAN DREAM SINCE 1919.

The Honorable Mike Crapo
Chairman
Committee on Banking, Housing and Urban
Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Sherrod Brown
Ranking Member
Committee on Banking, Housing and Urban
Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Crapo and Ranking Member Brown:

On behalf of the Consumer Bankers Association (CBA), we thank you for holding the hearing entitled, "Combating Illicit Financing By Anonymous Shell Companies Through the Collection of Beneficial Ownership Information." CBA is the voice of the retail banking industry; whose products and services provide access to credit for consumers and small businesses.

CBA's members serve the critical function of monitoring, identifying and reporting suspicious activity to law enforcement, ensuring criminals do not access the American financial system to launder ill-gotten gains. Our members promote national security and deter financial crimes by committing significant resources towards the compliance of the Bank Secrecy Act (BSA), the USA PATRIOT Act, related anti-money laundering laws (AML) and the recently implemented FinCEN Customer Due Diligence (CDD) rule that requires financial institutions to collect beneficial ownership information on potential business customers and report this information to FinCEN and law enforcement agencies.

Criminal organizations that use shell companies with anonymous ownership structures to carry out their illegal activities should be stopped. CBA strongly encourages the Committee to consider proposals that would shift the collection of beneficial ownership information from banks to FinCEN. FinCEN is appropriately suited to perform these duties as its purpose is to safeguard the financial system, combat money laundering, and collect, analyze and disseminate financial intelligence. In addition, Congress should allow FinCEN to create a federal database for financial institutions and law enforcement to use to verify the legitimacy of a company and its owners. A federal database of beneficial ownership information would provide transparency, would enable financial institutions and law enforcement to search and rely on the government's information to more efficiently deploy resources in the fight against money laundering, and would better protect the nation's financial system from corruption, terrorism, and criminal activity.

CBA stands ready to work with Congress to pass beneficial ownership legislation that will prevent criminals from accessing the financial system and conducting illicit activities through the use of anonymous shell companies.

Sincerely,



Richard Hunt
President and CEO
Consumer Bankers Association