

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

CC:

The Honorable Gregory W. Meeks, Chair, Subcommittee on Consumer Protection and Financial Institutions

The Honorable Blaine Luetkemeyer, Ranking Member, Subcommittee on Consumer Protection and Financial Institutions

The Honorable Emanuel Cleaver, Chair, Subcommittee on National Security, International Development and Monetary Policy

The Honorable Steve Stivers, Ranking Member, Subcommittee on National Security, International Development and Monetary Policy

Re: Corporate Transparency Act of 2019

April 30, 2019

Dear Chairwoman Waters and Ranking Member McHenry,

We are writing to express our support for the Corporate Transparency Act of 2019 recently proposed in the 116th Congress. We have previously expressed our support for the collection of beneficial ownership information and are encouraged by the bipartisan support for this measure, which is an important step forward to ensure the transparency of company ownership in the United States.

Collecting beneficial ownership information will enhance anti-money laundering and anti-corruption efforts and provide for cleaner, more competitive markets. The significant benefits of disclosing this information far outweigh any incremental cost of providing this information. In its current form, the bill provides a much needed basic level of accountability regarding corporate ownership without creating a costly burden on business.

We have seen progress on this issue in other jurisdictions where our companies operate. In 2016, the UK implemented its public beneficial ownership register. The European Union has taken similar steps with the Fifth Anti-Money Laundering Directive, which includes a provision for member states to establish public registers of beneficial ownership by 2020.

Beneficial ownership information will provide greater assurance for companies when entering business relationships, offer a tool for mitigating risk throughout our supply chains and give management and our investors more certainty when addressing risk and allocating capital.

It has been well-documented by the Organization for Economic Cooperation and Development (OECD), the World Bank, IMF and others that corruption impedes capital formation. The collection of beneficial ownership information in the United States would contribute to ending the anonymous companies that make it so hard to follow the money when it comes to corruption, fraud, and tax evasion. Indeed, this information is disruptive to existing illicit financial structures

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and arrangements. Clarity about the ultimate beneficial owners of companies reduces conditions of instability and uncertainty that impede stable, prosperous markets where we operate. It creates an environment where our businesses, business partners, employees and customers can thrive and succeed.

This bill, with the requirement to name the true owner of a company at the point of formation, is a remarkably simple yet effective way to directly address these concerns.

We write to urge you to support this legislation to require the collection of beneficial ownership information. As business leaders, we believe that clarity on company ownership is critical. It makes the United States and US firms competitive, helps law enforcement prevent, detect and prosecute financial crime and builds the transparency and trust that benefit both society and business.

Kind regards,

Oliver Bäte, CEO, Allianz

Josh Bayliss, CEO, Virgin Group

Bob Collymore, CEO, Safaricom Plc

Emmanuel Faber, CEO, Danone

Arianna Huffington, CEO and Founder, Thrive Global

Mo Ibrahim, Former CEO and Founder, Celtel International, Founder, Mo Ibrahim Foundation

Isabelle Kocher, CEO, Engie

Guilherme Leal, Founder & Co-Chairman, Natura & Co.

Dr. Ngozi Okonjo-Iweala, Former Finance Minister of Nigeria and Former Managing Director of the World Bank

François-Henri Pinault, CEO & Chairman, Kering

Paul Polman, CEO (2009-2018), Unilever

Hamdi Ulukaya, CEO, Chairman & Founder, Chobani