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CBA

December 3, 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 write to share our views regarding the Improving Laundering Laws and Increasing Comprehensive Information Tracking of Criminal Activity in Shell Holdings (ILLICIT CASH) Act, S. 2563. CBA is the voice of the retail banking industry; whose products and services provide access to credit for consumers and small businesses. Our members operate in all 50 states, serve more than 150 million Americans, and collectively hold two-thirds of the country's total depository assets.

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.

Criminal organizations that use shell companies with anonymous ownership structures to carry out their illegal activities should be stopped. CBA strongly supports and appreciates the efforts put forth by the group of eight bipartisan Senators to introduce this important piece of legislation that will modernize the AML/BSA infrastructure and encourage better communication between law enforcement, financial institutions, and regulators, and facilitating the adoption of modernized technologies.

We are pleased S. 2563 appropriately requires FinCEN – whose purpose is to safeguard the financial system, combat money laundering, and collect, analyze and disseminate financial intelligence – to collect and store beneficial ownership information of businesses when they are formed. A federal database of beneficial ownership information would provide transparency and 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 terrorist financing. In addition, the ILLICIT CASH Act empowers Congress to update BSA/AML policies by giving the Treasury Department and law enforcement other tools needed to fight criminal networks.

CBA stands ready to work with Congress to improve corporate transparency, strengthen national security, and help law enforcement by modernizing the current BSA/AML regulatory regime.

Sincerely,



Richard Hunt
President and CEO
Consumer Bankers Association