RE: ILLICIT CASH ACT OF 2019

December 20, 2019

Dear Chairman Crapo and Ranking Member Brown,

As B Team Leaders, we are writing to express our support for the “Improving Laundering Laws and Increasing Comprehensive Information Tracking of Criminal Activity in Shell Holdings Act” or the “ILLICIT CASH Act” recently proposed in the 116th Congress. We have previously expressed our support for the collection of beneficial ownership information, including the recent Corporate Transparency Act of 2019, and are encouraged by the
increasing 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 and fraud. Indeed, this information is disruptive to existing illicit financial structures 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 transparency and trust that benefit both society and business.

Kind regards,

Paul Polman, Chair, The B Team, CEO (2009-2018), Unilever and Co-Founder and Chair, Imagine

Sharan Burrow, Vice-Chair, The B Team, General Secretary, International Trade Union Confederation

Ajay Banga, President and CEO, Mastercard

Sir Richard Branson, Founder, Virgin Group

David Crane, Former CEO, NRG Energy and Clean Energy Investor

Christiana Figueres, Founding Partner, Global Optimism, Convener, Mission 2020 and Former Executive Secretary, United Nations Framework Convention on Climate Change

Mats Granryd, Director General, GSMA
Arianna Huffington, Founder and CEO, Thrive Global
Mo Ibrahim, Founder, Celtel and Founder and Chair, Mo Ibrahim Foundation
Yolanda Kakabadse, Former President, World Wildlife Fund International
Guilherme Leal, Co-Founder and Co-Chair, Natura & Co.
Andrew Liveris, Chairman Emeritus and Former CEO, Dow Chemical
Hamdi Ulukaya, CEO, Chairman and Founder, Chobani
Zhang Yue, Chairman and Founder, Broad Group