

  
(Original Signature of Member)

119TH CONGRESS  
1ST SESSION

## H. R. \_\_\_\_\_

To require the Director of the Financial Crimes Enforcement Network and the Administrator of the Small Business Administration to enter into a memorandum of understanding to ensure the dissemination of covered information, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

Ms. VELÁZQUEZ introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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## A BILL

To require the Director of the Financial Crimes Enforcement Network and the Administrator of the Small Business Administration to enter into a memorandum of understanding to ensure the dissemination of covered information, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “FinCEN–SBA Coordi-  
5 nation on Beneficial Ownership Registration Act”.

1 **SEC. 2. SENSE OF CONGRESS.**

2 It is the sense of Congress that—

3 (1) malign actors seek to conceal their owner-  
4 ship of corporations, limited liability companies, or  
5 other similar entities in the United States to facili-  
6 tate illicit activity, including money laundering, the  
7 financing of terrorism, proliferation financing, seri-  
8 ous tax fraud, human and drug trafficking, counter-  
9 feiting, piracy, securities fraud, financial fraud, and  
10 acts of foreign corruption, harming the national se-  
11 curity interests of the United States and allies of the  
12 United States;

13 (2) Federal legislation providing for the collec-  
14 tion of beneficial ownership information for corpora-  
15 tions, limited liability companies, or other similar en-  
16 tities formed under the laws of the States is needed  
17 to—

18 (A) set a clear, Federal standard for incor-  
19 poration practices;

20 (B) protect vital United States national se-  
21 curity interests;

22 (C) protect interstate and foreign com-  
23 merce;

24 (D) better enable critical national security,  
25 intelligence, and law enforcement efforts to

1 counter money laundering, the financing of ter-  
2 rorism, and other illicit activity; and

3 (E) bring the United States into compli-  
4 ance with international anti-money laundering  
5 and countering the financing of terrorism  
6 standards;

7 (3) Federal legislation providing for the collec-  
8 tion of beneficial ownership information is needed to  
9 protect critical law enforcement and national secu-  
10 rity efforts;

11 (4) the Secretary of the Treasury and the Ad-  
12 ministrator of the Small Business Administration  
13 should work with small business concerns and other  
14 reporting companies to provide clarity and minimize  
15 burdens on them while still generating a highly use-  
16 ful database;

17 (5) an overwhelming bipartisan majority of  
18 Congress codified the provisions of paragraphs (1)  
19 through (4) in the enactment of the Corporate  
20 Transparency Act (title LXIV of division F of Public  
21 Law 116-283); and

22 (6) full implementation of the Corporate Trans-  
23 parency Act is critical to further the provisions of  
24 paragraphs (1) through (4).

1 **SEC. 3. DEFINITIONS.**

2 In this Act:

3 (1) ADMINISTRATION; ADMINISTRATOR.—The  
4 terms “Administration” and “Administrator” mean  
5 the Small Business Administration and the Adminis-  
6 trator thereof, respectively.

7 (2) BENEFICIAL OWNERSHIP REQUIRE-  
8 MENTS.—The term “beneficial ownership require-  
9 ments” means the requirements under section 5336  
10 of title 31, United States Code.

11 (3) COVERED AGENCIES.—The term “covered  
12 agencies” means FinCEN and the Administration.

13 (4) COVERED INFORMATION.—The term “cov-  
14 ered information” means information developed by  
15 FinCEN regarding the beneficial ownership informa-  
16 tion reporting requirements under section 5336 of  
17 title 31, United States Code.

18 (5) DIRECTOR.—The term “Director” means  
19 the Director of FinCEN.

20 (6) FINCEN.—The term “FinCEN” means the  
21 Financial Crimes Enforcement Network described in  
22 section 310 of title 31, United States Code.

23 (7) REPORTING COMPANY.—The term “report-  
24 ing company” has the meaning given in section 5336  
25 of title 31, United States Code.

1 (8) RESOURCE PARTNER.—The term “resource  
2 partner” means—

3 (A) a small business development center  
4 (as defined in section 3 of the Small Business  
5 Act (15 U.S.C. 632));

6 (B) a women’s business center described in  
7 section 29 of the Small Business Act (15  
8 U.S.C. 656); and

9 (C) Veteran Business Outreach Centers  
10 described in section 32 of the Small Business  
11 Act (15 U.S.C. 657b)).

12 (9) SMALL BUSINESS CONCERN.—The term  
13 “small business concern” has the meaning given  
14 under section 3 of the Small Business Act (15  
15 U.S.C. 632).

16 **SEC. 4. MEMORANDUM OF UNDERSTANDING TO ENSURE**  
17 **THE DISSEMINATION OF COVERED INFORMA-**  
18 **TION.**

19 (a) MEETING.—Not later than 30 days after the date  
20 of the enactment of this Act, the Administrator and the  
21 Director shall meet to discuss the contents of the memo-  
22 randum of understanding required by subsection (b).

23 (b) MEMORANDUM OF UNDERSTANDING.—Not later  
24 than 90 days after the date of the enactment of this Act,  
25 the Administrator and the Director shall enter into a writ-

1 ten memorandum of understanding to jointly carry out the  
2 following activities:

3 (1) Disseminating covered information to re-  
4 porting companies and trade associations and other  
5 entities that represent small business concerns, in-  
6 cluding dissemination through resource partners of  
7 the Administration.

8 (2) Ensuring covered information is made avail-  
9 able in English, Spanish, and any additional lan-  
10 guages as jointly determined by the Director and the  
11 Administrator.

12 (3) Ensuring that the homepage of the website  
13 of the Administration includes a link to the relevant  
14 webpages of FinCEN relating to beneficial owner-  
15 ship requirements and registration for reporting  
16 companies.

17 (4) Implementing a plan to identify and counter  
18 scams or other fraudulent schemes related to, or  
19 purporting to be, beneficial ownership reporting, and  
20 to educate reporting companies and trade associa-  
21 tions and other entities that represent small business  
22 concerns about such scams or fraudulent schemes.

23 (5) Hosting in-person town halls and  
24 webinars—

1 (A) organized by the Administrator, acting  
2 through national or regional offices of the Ad-  
3 ministration;

4 (B) that feature presentations by FinCEN  
5 staff on compliance with beneficial ownership  
6 requirements; and

7 (C) that are advertised to reporting compa-  
8 nies and trade associations and other entities  
9 that represent small business concerns.

10 (6) Implementing a plan to use field offices of  
11 the Administration and Domestic Liaisons of  
12 FinCEN for the in-person town halls and webinars  
13 described in paragraph (5).

14 (7) Any other activities the Director and the  
15 Administrator determine necessary to increase the  
16 number of reporting companies in compliance with  
17 beneficial ownership requirements.

18 (c) PUBLIC AVAILABILITY OF MEMORANDUM OF UN-  
19 DERSTANDING.—Not later than 7 days after the date on  
20 which the Director and Administrator enter into a memo-  
21 randum of understanding under subsection (b), the Direc-  
22 tor and the Administrator shall each make the memo-  
23 randum publicly available on a website of FinCEN and  
24 the Administration, respectively.

1 (d) MEETINGS.—Not later than 6 months after the  
2 date on which the Director and Administrator enter into  
3 a memorandum of understanding under subsection (b),  
4 and every 6 months thereafter, the Director (or a des-  
5 ignee) and the Administrator (or a designee) shall review  
6 the following:

7 (1) Issues related to, and continued coordina-  
8 tion on, the requirements of the memorandum.

9 (2) Challenges associated with increasing the  
10 number of reporting companies in compliance with  
11 beneficial ownership requirements.

12 (3) Reasons provided by reporting companies to  
13 covered agencies for failing to comply with beneficial  
14 ownership requirements.

15 (4) Strategies for collaboration to address the  
16 reasons described in paragraph (3).

17 (5) Any other topics the Director and the Ad-  
18 ministrator determine necessary.

19 (e) COMPENSATION.—The Director (or a designee)  
20 and the Administrator (or a designee) may not receive  
21 compensation for attending a meeting required by sub-  
22 section (d).

23 **SEC. 5. REPORTS.**

24 Not later than 30 days after the date on which the  
25 Director and Administrator enter into a memorandum of



1 understanding under section 3(b), and every 30 days  
2 thereafter, the Director and the Administrator shall jointly  
3 submit to the Committees on Small Business and Entre-  
4 preneurship and Banking, Housing, and Urban Affairs of  
5 the Senate and the Committees on Small Business and  
6 Financial Services of the House of Representatives a re-  
7 port that includes the following:

8 (1) For the 30-day period preceding the date of  
9 the report—

10 (A) a description of the actions taken  
11 under the memorandum of understanding to  
12 provide outreach to reporting companies that  
13 are required to, but have failed to, comply with  
14 beneficial ownership requirements;

15 (B) the estimated number of reporting  
16 companies that have received covered informa-  
17 tion or other assistance relating to beneficial  
18 ownership requirements from the Administra-  
19 tion or FinCEN as a result of actions taken  
20 pursuant to the memorandum of understanding;  
21 and

22 (C) the number of reporting companies in  
23 compliance with beneficial ownership require-  
24 ments.

1           (2) A description of the actions the Director  
2           and the Administrator plan to take under the memo-  
3           randum of understanding during the 30-day period  
4           following the date of the report to provide covered  
5           information to reporting companies that have failed  
6           to comply with beneficial ownership requirements.