(2) DEPARTMENT.—The term "Department" means the Department of Energy.

(3) NATIONAL LABORATORY.—The term "national laboratory" has the meaning given such term in section 2 of the Energy Policy Act of 2005 (42 U.S.C. 15801).

(4) ELIGIBLE ENTITIES.—The term "eligible entities" means—

(A) an institution of higher education;

(B) a National Laboratory;

(C) a Federal research agency;

(D) a State research agency;

(E) a nonprofit research organization;

(F) a private sector entity; or

(G) a consortium of 2 or more entities described in subparagraphs (A) through (F).

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Department to carry out this section—

(1) $200,000,000 for fiscal year 2021;

(2) $214,000,000 for fiscal year 2022;

(3) $228,980,000 for fiscal year 2023;

(4) $245,000,000 for fiscal year 2024; and

(5) $262,160,000 for fiscal year 2025.

DIVISION F—ANTI-MONEY LAUNDERING

SEC. 6001. SHORT TITLE.

This division may be cited as the "Anti-Money Laundering Act of 2020".

SEC. 6002. PURPOSES.

The purposes of this division are—

(1) to improve coordination and information sharing among the agencies tasked with administering anti-money laundering and countering the financing of terrorism requirements, the agencies that examine financial institutions for compliance with those requirements, Federal law enforcement agencies, national security agencies, the intelligence community, and financial institutions;

(2) to modernize anti-money laundering and countering the financing of terrorism laws to adapt the government and private sector response to new and emerging threats;

(3) to encourage technological innovation and the adoption of new technology by financial institutions to more effectively counter money laundering and the financing of terrorism;

(4) to reinforce that the anti-money laundering and countering the financing of terrorism policies, procedures, and controls of financial institutions shall be risk-based;

(5) to establish uniform beneficial ownership information reporting requirements to—

(A) improve transparency for national security, intelligence, and law enforcement agencies and financial institutions concerning corporate structures and insight into the flow of illicit funds through those structures;

(B) discourage the use of shell corporations as a tool to disguise and move illicit funds;

(C) assist national security, intelligence, and law enforcement agencies with the pursuit of crimes; and

(D) protect the national security of the United States; and

(6) to establish a secure, nonpublic database at FinCEN for beneficial ownership information.

SEC. 6003. DEFINITIONS.

In this division:

(1) BANK SECRECY ACT.—The term "Bank Secrecy Act" means—

(A) section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b);

(B) chapter 2 of title I of Public Law 91–508 (12 U.S.C. 1951 et seq.); and

(C) subchapter II of chapter 53 of title 31, United States Code.

(2) ELECTRONIC FUND TRANSFER.—The term "electronic fund transfer" has the meaning given the term in section 903 of the Electronic Fund Transfer Act (15 U.S.C. 1693a).

(3) FEDERAL FUNCTIONAL REGULATOR.—The term "Federal functional regulator"—

(A) has the meaning given the term in section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809); and

(B) includes any Federal regulator that examines a financial institution for compliance with the Bank Secrecy Act.

(4) FINANCIAL AGENCY.—The term "financial agency" has the meaning given the term in section 5312(a) of title 31, United States Code, as amended by section 6102 of this division.

(5) FINANCIAL INSTITUTION.—The term "financial institution"—

(A) has the meaning given the term in section 5312 of title 31, United States Code; and

(B) includes—

(i) an electronic fund transfer network; and

(ii) a clearing and settlement system.

(6) FINCEN.—The term "FinCEN" means the Financial Crimes Enforcement Network of the Department of the Treasury.

(7) SECRETARY.—The term "Secretary" means the Secretary of the Treasury.

(8) STATE BANK SUPERVISOR.—The term "State bank supervisor" has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(9) STATE CREDIT UNION SUPERVISOR.—The term "State credit union supervisor" means a State official described in section 107A(e) of the Federal Credit Union Act (12 U.S.C. 1757a(e)).

TITLE LXI—STRENGTHENING TREASURY FINANCIAL INTELLIGENCE, ANTI-MONEY LAUNDERING, AND COUNTERING THE FINANCING OF TERRORISM PROGRAMS

SEC. 6101. ESTABLISHMENT OF NATIONAL EXAM AND SUPERVISION PRIORITIES.

(a) DECLARATION OF PURPOSE.—Subchapter II of chapter 53 of title 31, United States Code, is amended by striking section 5311 and inserting the following:

"§ 5311. Declaration of purpose

"It is the purpose of this subchapter (except section 5315) to—

"(1) require certain reports or records that are highly useful in—

"(A) criminal, tax, or regulatory investigations, risk assessments, or proceedings; or

"(B) intelligence or counterintelligence activities, including analysis, to protect against terrorism;

"(2) prevent the laundering of money and the financing of terrorism through the establishment by financial institutions of reasonably designed risk-based programs to combat money laundering and the financing of terrorism;

"(3) facilitate the tracking of money that has been sourced through criminal activity or is intended to promote criminal or terrorist activity;

"(4) assess the money laundering, terrorism finance, tax evasion, and fraud risks to financial institutions, products, or services to—

"(A) protect the financial system of the United States from criminal abuse; and

"(B) safeguard the national security of the United States; and

"(5) establish appropriate frameworks for information sharing among financial institutions, their agents and service providers, their regulatory authorities, associations of financial institutions, the Department of the Treasury, and law enforcement authorities to identify, stop, and apprehend money launderers and those who finance terrorists.".

(b) ANTI-MONEY LAUNDERING PROGRAMS.—Section 5318 of title 31, United States Code, is amended—

(1) in subsection (a)(1), by striking "subsection (b)(2)" and inserting "subsections (b)(2) and (h)(4)"; and

(2) in subsection (h)—

(A) in paragraph (1), in the matter preceding subparagraph (A)—

(i) by inserting "and the financing of terrorism" after "money laundering"; and

(ii) by inserting "and countering the financing of terrorism" after "anti-money laundering";

(B) in paragraph (2)—

(i) by striking "The Secretary" and inserting the following:

"(A) IN GENERAL.—The Secretary"; and

(ii) by adding at the end the following:

"(B) FACTORS.—In prescribing the minimum standards under subparagraph (A), and in supervising and examining compliance with those standards, the Secretary of the Treasury, and the appropriate Federal functional regulator (as defined in section 509 of the Gramm-Leach-Bliley Act (12 U.S.C. 6809)) shall take into account the following:

"(i) Financial institutions are spending private compliance funds for a public and private benefit, including protecting the United States financial system from illicit finance risks.

"(ii) The extension of financial services to the underbanked and the facilitation of financial transactions, including remittances, coming from the United States and abroad in ways that simultaneously prevent criminal persons from abusing formal or informal financial services networks are key policy goals of the United States.

"(iii) Effective anti-money laundering and countering the financing of terrorism programs safeguard national security and generate significant public benefits by preventing the flow of illicit funds in the financial system and by assisting law enforcement and national security agencies with the identification and prosecution of persons attempting to launder money and undertake other illicit activity through the financial system.

"(iv) Anti-money laundering and countering the financing of terrorism programs described in paragraph (1) should be—

"(I) reasonably designed to assure and monitor compliance with the requirements of this subchapter and regulations promulgated under this subchapter; and

"(II) risk-based, including ensuring that more attention and resources of financial institutions should be directed toward higher-risk customers and activities, consistent with the risk profile of a financial institution, rather than toward lower-risk customers and activities."; and

(C) by adding at the end the following:

"(4) PRIORITIES.—

"(A) IN GENERAL.—Not later than 180 days after the date of enactment of this paragraph, the Secretary of the Treasury, in consultation with the Attorney General, Federal functional regulators (as defined in section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809)), relevant State financial regulators, and relevant national security agencies, shall establish and make public priorities for anti-money laundering and countering the financing of terrorism policy.

"(B) UPDATES.—Not less frequently than once every 4 years, the Secretary of the Treasury, in consultation with the Attorney General, Federal functional regulators (as defined in section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809)), relevant State financial regulators, and relevant national security agencies, shall update the priorities established under subparagraph (A).

"(C) RELATION TO NATIONAL STRATEGY.—The Secretary of the Treasury shall ensure that the priorities established under subparagraph (A) are consistent with the national strategy for countering the financing of terrorism and related forms of illicit finance developed under section 261 of the Countering Russian Influence in Europe and Eurasia Act of 2017 (Public Law 115–44; 131 Stat. 934).

"(D) RULEMAKING.—Not later than 180 days after the date on which the Secretary of the Treasury establishes the priorities under subparagraph (A), the Secretary of the Treasury, acting through the Director of the Financial Crimes Enforcement Network and in consultation with the Federal functional regulators (as defined in section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809)) and relevant State financial regulators, shall, as appropriate, promulgate regulations to carry out this paragraph.

"(E) SUPERVISION AND EXAMINATION.—The review by a financial institution of the priorities established under subparagraph (A) and the incorporation of those priorities, as appropriate, into the risk-based programs established by the financial institution to meet obligations under this subchapter, the USA PATRIOT Act (Public Law 107–56; 115 Stat. 272), and other anti-money laundering and countering the financing of terrorism laws and regulations shall be included as a measure on which a financial institution is supervised and examined for compliance with those obligations.

"(5) DUTY.—The duty to establish, maintain and enforce an anti-money laundering and countering the financing of terrorism program as required by this subsection shall remain the responsibility of, and be performed by, persons in the United States who are accessible to, and subject to oversight and supervision by, the Secretary of the Treasury and the appropriate Federal functional regulator (as defined in section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809)).".

(c) FINANCIAL CRIMES ENFORCEMENT NETWORK.—Section 310(b)(2) of title 31, United States Code, is amended—

(1) by redesignating subparagraph (J) as subparagraph (O); and

(2) by inserting after subparagraph (I) the following:

"(J) Promulgate regulations under section 5318(h)(4)(D), as appropriate, to implement the government-wide anti-money laundering and countering the financing of terrorism priorities established by the Secretary of the Treasury under section 5318(h)(4)(A).

"(K) Communicate regularly with financial institutions and Federal functional regulators that examine financial institutions for compliance with subchapter II of chapter 53 and regulations promulgated under that subchapter and law enforcement authorities to explain the United States Government's anti-money laundering and countering the financing of terrorism priorities.

"(L) Give and receive feedback to and from financial institutions, State bank supervisors, and State credit union supervisors (as those terms are defined in section 6003 of the Anti-Money Laundering Act of 2020) regarding the matters addressed in subchapter II of chapter 53 and regulations promulgated under that subchapter.

"(M) Maintain money laundering and terrorist financing investigation financial experts capable of identifying, tracking, and analyzing financial crime networks and identifying emerging threats to support Federal civil and criminal investigations.

"(N) Maintain emerging technology experts to encourage the development of and identify emerging technologies that can assist the United States Government or financial institutions in countering money laundering and the financing of terrorism.".

SEC. 6102. STRENGTHENING FINCEN.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the mission of FinCEN should be to continue to safeguard the financial system from illicit activity, counter money laundering and the financing of terrorism, and promote national security through strategic use of financial authorities and the collection, analysis, and dissemination of financial intelligence;

(2) in its mission to safeguard the financial system from the abuses of financial crime, the United States should prioritize working with partners in Federal, State, local, Tribal, and foreign law enforcement authorities;

(3) although the use and trading of virtual currencies are legal practices, some terrorists and criminals, including transnational criminal organizations, seek to exploit vulnerabilities in the global financial system and increasingly rely on substitutes for currency, including emerging payment methods (such as virtual currencies), to move illicit funds; and

(4) in carrying out its mission, FinCEN should ensure that its efforts fully support countering the financing of terrorism efforts, including making sure that steps to address emerging methods of such illicit financing are high priorities.

(b) EXPANDING INFORMATION SHARING WITH TRIBAL AUTHORITIES.—Section 310(b)(2) of title 31, United States Code, is amended—

(1) in subparagraphs (C), (E), and (F), by inserting "Tribal," after "local," each place that term appears; and

(2) in subparagraph (C)(vi), by striking "international".

(c) EXPANSION OF REPORTING AUTHORITIES TO COMBAT MONEY LAUNDERING.—Section 5318(a)(2) of title 31, United States Code, is amended—

(1) by inserting ", including the collection and reporting of certain information as the Secretary of the Treasury may prescribe by regulation," after "appropriate procedures"; and

(2) by inserting ", the financing of terrorism, or other forms of illicit finance" after "money laundering".

(d) VALUE THAT SUBSTITUTES FOR CURRENCY.—

(1) DEFINITIONS.—Section 5312(a) of title 31, United States Code, is amended—

(A) in paragraph (1), by striking ", or a transaction in money, credit, securities, or gold" and inserting ", a transaction in money, credit, securities or gold, or a service provided with respect to money, securities, futures, precious metals, stones and jewels, or value that substitutes for currency";

(B) in paragraph (2)—

(i) in subparagraph (J), by inserting ", or a business engaged in the exchange of currency, funds, or value that substitutes for currency or funds" before the semicolon at the end; and

(ii) in subparagraph (R), by striking "funds," and inserting "currency, funds, or value that substitutes for currency,"; and

(C) in paragraph (3)—

(i) in subparagraph (B), by striking "and" at the end;

(ii) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following:

"(D) as the Secretary shall provide by regulation, value that substitutes for any monetary instrument described in subparagraph (A), (B), or (C).".

(2) REGISTRATION OF MONEY TRANSMITTING BUSINESSES.—Section 5330(d) of title 31, United States Code, is amended—

(A) in paragraph (1)(A)—

(i) by striking "funds," and inserting "currency, funds, or value that substitutes for currency,"; and

(ii) by striking "system;;" and inserting "system;"; and

(B) in paragraph (2)—

(i) by striking "currency or funds denominated in the currency of any country" and inserting "currency, funds, or value that substitutes for currency";

(ii) by striking "currency or funds, or the value of the currency or funds," and inserting "currency, funds, or value that substitutes for currency"; and

(iii) by inserting ", including" after "means".

SEC. 6103. FINCEN EXCHANGE.

Section 310 of title 31, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (l); and

(2) by inserting after subsection (c) the following:

"(d) FINCEN EXCHANGE.—

"(1) ESTABLISHMENT.—The FinCEN Exchange is hereby established within FinCEN.

"(2) PURPOSE.—The FinCEN Exchange shall facilitate a voluntary public-private information sharing partnership among law enforcement agencies, national security agencies, financial institutions, and FinCEN to—

"(A) effectively and efficiently combat money laundering, terrorism financing, organized crime, and other financial crimes, including by promoting innovation and technical advances in reporting—

"(i) under subchapter II of chapter 53 and the regulations promulgated under that subchapter; and

"(ii) with respect to other anti-money laundering requirements;

"(B) protect the financial system from illicit use; and

"(C) promote national security.

"(3) REPORT.—

"(A) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, and once every 2 years thereafter for the next 5 years, the Secretary of the Treasury shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report containing—

"(i) an analysis of the efforts undertaken by the FinCEN Exchange, which shall include an analysis of—

"(I) the results of those efforts; and

"(II) the extent and effectiveness of those efforts, including any benefits realized by law enforcement agencies from partnering with financial institutions, which shall be consistent with standards protecting sensitive information; and

"(ii) any legislative, administrative, or other recommendations the Secretary may have to strengthen the efforts of the FinCEN Exchange.

"(B) CLASSIFIED ANNEX.—Each report under subparagraph (A) may include a classified annex.

"(4) INFORMATION SHARING REQUIREMENT.—Information shared under this subsection shall be shared—

"(A) in compliance with all other applicable Federal laws and regulations;

"(B) in such a manner as to ensure the appropriate confidentiality of personal information; and

"(C) at the discretion of the Director, with the appropriate Federal functional regulator, as defined in section 6003 of the Anti-Money Laundering Act of 2020.

"(5) PROTECTION OF SHARED INFORMATION.—

"(A) REGULATIONS.—FinCEN shall, as appropriate, promulgate regulations that establish procedures for the protection of information shared and exchanged between FinCEN and the private sector in accordance with this section, consistent with the capacity, size, and nature of the financial institution to which the particular procedures apply.

"(B) USE OF INFORMATION.—Information received by a financial institution pursuant to this section shall not be used for any purpose other than identifying and reporting on activities that may involve the financing of

terrorism, money laundering, proliferation financing, or other financial crimes.

"(6) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to create new information sharing authorities or requirements relating to the Bank Secrecy Act.".

SEC. 6104. INTERAGENCY ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM PERSONNEL ROTATION PROGRAM.

To promote greater effectiveness and efficiency in combating money laundering, the financing of terrorism, proliferation financing, serious tax fraud, trafficking, sanctions evasion and other financial crimes, the Secretary shall maintain and accelerate efforts to strengthen anti-money laundering and countering the financing of terrorism efforts through a personnel rotation program between the Federal functional regulators and the Department of Justice, the Federal Bureau of Investigation, the Department of Homeland Security, the Department of Defense, and such other agencies as the Secretary determines are appropriate.

SEC. 6105. TERRORISM AND FINANCIAL INTELLIGENCE SPECIAL HIRING AUTHORITY.

(a) FINCEN.—Section 310 of title 31, United States Code, as amended by section 6103 of this division, is amended by inserting after subsection (d) the following:

"(e) SPECIAL HIRING AUTHORITY.—

"(1) IN GENERAL.—The Secretary of the Treasury may appoint, without regard to the provisions of sections 3309 through 3318 of title 5, candidates directly to positions in the competitive service, as defined in section 2102 of that title, in FinCEN.

"(2) PRIMARY RESPONSIBILITIES.—The primary responsibility of candidates appointed under paragraph (1) shall be to provide substantive support in support of the duties described in subparagraphs (A) through (O) of subsection (b)(2).".

(b) OFFICE OF TERRORISM AND FINANCIAL INTELLIGENCE.—Section 312 of title 31, United States Code, is amended by adding at the end the following:

"(g) SPECIAL HIRING AUTHORITY.—

"(1) IN GENERAL.—The Secretary of the Treasury may appoint, without regard to the provisions of sections 3309 through 3318 of title 5, candidates directly to positions in the competitive service, as defined in section 2102 of that title, in the OTFI.

"(2) PRIMARY RESPONSIBILITIES.—The primary responsibility of candidates appointed under paragraph (1) shall be to provide substantive support in support of the duties described in subparagraphs (A) through (G) of subsection (a)(4).

"(h) DEPLOYMENT OF STAFF.—The Secretary of the Treasury may detail, without regard to the provisions of section 300.301 of title 5, Code of Federal Regulations, any employee in the OTFI to any position in the OTFI for which the Secretary has determined there is a need.".

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, and every 2 years thereafter for 5 years, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that includes the number

of new employees hired during the previous year under the authorities described in sections 310 and 312 of title 31, United States Code, along with position titles and associated pay grades for such hires.

SEC. 6106. TREASURY ATTACHÉ PROGRAM.

(a) IN GENERAL.—Subchapter I of chapter 3 of title 31, United States Code, is amended by adding at the end the following:

"§ 316. Treasury Attaché Program

"(a) IN GENERAL.—There is established the Treasury Financial Attaché Program, under which the Secretary of the Treasury shall appoint employees of the Department of the Treasury as a Treasury Financial Attaché, who shall—

"(1) further the work of the Department of the Treasury in developing and executing the financial and economic policy of the United States Government and the international fight against terrorism, money laundering, and other illicit finance;

"(2) be co-located in a United States Embassy, a similar United States Government facility, or a foreign government facility, as the Secretary determines is appropriate;

"(3) establish and maintain relationships with foreign counterparts, including employees of ministries of finance, central banks, international financial institutions, and other relevant official entities;

"(4) conduct outreach to local and foreign financial institutions and other commercial actors;

"(5) coordinate with representatives of the Department of Justice at United States Embassies who perform similar functions on behalf of the United States Government; and

"(6) perform such other actions as the Secretary determines are appropriate.

"(b) NUMBER OF ATTACHÉS.—

"(1) IN GENERAL.—The number of Treasury Financial Attachés appointed under this section at any one time shall be not fewer than 6 more employees than the number of employees of the Department of the Treasury serving as Treasury attachés on the date of enactment of this section.

"(2) ADDITIONAL POSTS.—The Secretary of the Treasury may establish additional posts subject to the availability of appropriations.

"(c) COMPENSATION.—

"(1) IN GENERAL.—Each Treasury Financial Attaché appointed under this section and located at a United States Embassy shall receive compensation, including allowances, at the higher of—

"(A) the rate of compensation, including allowances, provided to a Foreign Service officer serving at the same embassy; and

"(B) the rate of compensation, including allowances, the Treasury Financial Attaché would otherwise have received, absent the application of this subsection.

"(2) PHASE IN.—The compensation described in paragraph (1) shall be phased in over 2 years.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 3 of title 31, United States Code, is amended by inserting after the item relating to section 315 the following:

"316. Treasury Attaché Program.".

SEC. 6107. ESTABLISHMENT OF FINCEN DOMESTIC LIAISONS.

Section 310 of title 31, United States Code, as amended by sections 6103 and 6105 of this division, is amended by inserting after subsection (e) the following:

"(f) FINCEN DOMESTIC LIAISONS.—

"(1) ESTABLISHMENT OF OFFICE.—There is established in FinCEN an Office of Domestic Liaison, which shall be headed by the Chief Domestic Liaison.

"(2) LOCATION.—The Office of the Domestic Liaison shall be located in the District of Columbia.

"(g) CHIEF DOMESTIC LIAISON.—

"(1) IN GENERAL.—The Chief Domestic Liaison, shall—

"(A) report directly to the Director; and

"(B) be appointed by the Director, from among individuals with experience or familiarity with anti-money laundering program examinations, supervision, and enforcement.

"(2) COMPENSATION.—The annual rate of pay for the Chief Domestic Liaison shall be equal to the highest rate of annual pay for similarly situated senior executives who report to the Director.

"(3) STAFF OF OFFICE.—The Chief Domestic Liaison, with the concurrence of the Director, may retain or employ counsel, research staff, and service staff, as the Liaison determines necessary to carry out the functions, powers, and duties under this subsection.

"(4) DOMESTIC LIAISONS.—The Chief Domestic Liaison, with the concurrence of the Director, shall appoint not fewer than 6 senior FinCEN employees as FinCEN Domestic Liaisons, who shall—

"(A) report to the Chief Domestic Liaison;

"(B) each be assigned to focus on a specific region of the United States; and

"(C) be located at an office in such region or co-located at an office of the Board of Governors of the Federal Reserve System in such region.

"(5) FUNCTIONS OF THE DOMESTIC LIAISONS.—

"(A) IN GENERAL.—Each Domestic Liaison shall—

"(i) in coordination with relevant Federal functional regulators, perform outreach to BSA officers at financial institutions, including nonbank financial institutions, and persons that are not financial institutions, especially with respect to actions taken by FinCEN that require specific actions by, or have specific effects on, such institutions or persons, as determined by the Director;

"(ii) in accordance with applicable agreements, receive feedback from financial institutions and examiners of Federal functional regulators regarding their examinations under the Bank Secrecy Act and communicate that feedback to FinCEN, the Federal functional regulators, and State bank supervisors;

"(iii) promote coordination and consistency of supervisory guidance from FinCEN, the Federal functional regulators, State bank supervisors, and State credit union supervisors regarding the Bank Secrecy Act;

"(iv) act as a liaison between financial institutions and their Federal functional regulators, State bank supervisors, and State credit union supervisors with respect to information sharing matters involving the Bank Secrecy Act and regulations promulgated thereunder;

"(v) establish safeguards to maintain the confidentiality of communications between the persons described in clause (ii) and the Office of Domestic Liaison;

"(vi) to the extent practicable, periodically propose to the Director changes in the regulations, guidance, or orders of FinCEN, including any legislative or administrative changes that may be appropriate to ensure improved coordination and expand information sharing under this paragraph; and

"(vii) perform such other duties as the Director determines to be appropriate.

"(B) RULE OF CONSTRUCTION.—Nothing in this paragraph may be construed to permit the Domestic Liaisons to have authority over supervision, examination, or enforcement processes.

"(6) ACCESS TO DOCUMENTS.—FinCEN, to the extent practicable and consistent with appropriate safeguards for sensitive enforcement-related, pre-decisional, or deliberative information, shall ensure that the Domestic Liaisons have full access to the documents of FinCEN, as necessary to carry out the functions of the Office of Domestic Liaison.

"(7) ANNUAL REPORTS.—

"(A) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection and every 2 years thereafter for 5 years, the Director shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the objectives of the Office of Domestic Liaison for the following fiscal year and the activities of the Office during the immediately preceding fiscal year.

"(B) CONTENTS.—Each report required under subparagraph (A) shall include—

"(i) appropriate statistical information and full and substantive analysis;

"(ii) information on steps that the Office of Domestic Liaison has taken during the reporting period to address feedback received by financial institutions and examiners of Federal functional regulators relating to examinations under the Bank Secrecy Act;

"(iii) recommendations to the Director for such administrative and legislative actions as may be appropriate to address information sharing and coordination issues encountered by financial institutions or examiners of Federal functional regulators; and

"(iv) any other information, as determined appropriate by the Director.

"(C) SENSITIVE INFORMATION.—Notwithstanding subparagraph (D), FinCEN shall review each report required under subparagraph (A) before the report is submitted to ensure the report does not disclose sensitive information.

"(D) INDEPENDENCE.—

"(i) IN GENERAL.—Each report required under subparagraph (A) shall be provided directly to the committees listed in that subparagraph, except that a relevant Federal functional regulator, State bank supervisor, Office of Management and Budget, or State credit union supervisor shall have an opportunity for review and comment before the submission of the report.

"(ii) RULE OF CONSTRUCTION.—Nothing in clause (i) may be construed to preclude FinCEN or any other department or agency from reviewing a report required under subparagraph (A) for the sole purpose of protecting—

"(I) sensitive information obtained by a law enforcement agency; and

"(II) classified information.

"(E) CLASSIFIED INFORMATION.—No report required under subparagraph (A) may contain classified information.

"(8) DEFINITION.—In this subsection, the term 'Federal functional regulator' has the meaning given the term in section 6003 of the Anti-Money Laundering Act of 2020.".

SEC. 6108. FOREIGN FINANCIAL INTELLIGENCE UNIT LIAISONS.

Section 310 of title 31, United States Code, as amended by sections 6103, 6105, and 6107 of this division, is amended by inserting after subsection (g) the following:

"(h) FINCEN FOREIGN FINANCIAL INTELLIGENCE UNIT LIAISONS.—

"(1) IN GENERAL.—The Director of FinCEN shall appoint not fewer than 6 Foreign Financial Intelligence Unit Liaisons, who shall—

"(A) be knowledgeable about domestic or international anti-money laundering or countering the financing of terrorism laws and regulations;

"(B) possess a technical understanding of the Bank Secrecy Act, the protocols of the Egmont Group of Financial Intelligence Units, and the Financial Action Task Force and the recommendations issued by that Task Force;

"(C) be co-located in a United States embassy, a similar United States Government facility, or a foreign government facility, as appropriate;

"(D) facilitate capacity building and perform outreach with respect to anti-money laundering and countering the financing of terrorism regulatory and analytical frameworks;

"(E) establish and maintain relationships with officials from foreign intelligence units, regulatory authorities, ministries of finance, central banks, law enforcement agencies, and other competent authorities;

"(F) participate in industry outreach engagements with foreign financial institutions and other commercial actors on anti-money laundering and countering the financing of terrorism issues;

"(G) coordinate with representatives of the Department of Justice at United States Embassies who perform similar functions on behalf of the United States Government; and

"(H) perform such other duties as the Director determines to be appropriate.

"(2) COMPENSATION.—Each Foreign Financial Intelligence Unit Liaison appointed under paragraph (1) shall receive compensation at the higher of—

"(A) the rate of compensation paid to a Foreign Service officer at a comparable career level serving at the same embassy or facility, as applicable; or

"(B) the rate of compensation that the Liaison would have otherwise received.".

SEC. 6109. PROTECTION OF INFORMATION EXCHANGED WITH FOREIGN LAW ENFORCEMENT AND FINANCIAL INTELLIGENCE UNITS.

(a) IN GENERAL.—Section 310 of title 31, United States Code, as amended by sections 6103, 6105, 6107, and 6108 of this division, is amended by inserting after subsection (h) the following:

"(i) PROTECTION OF INFORMATION OBTAINED BY FOREIGN LAW ENFORCEMENT AND FINANCIAL INTELLIGENCE UNITS; FREEDOM OF INFORMATION ACT.—

"(1) DEFINITIONS.—In this subsection:

"(A) FOREIGN ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM AUTHORITY.—The term 'foreign anti-money laundering and countering the financing of terrorism authority' means any foreign agency or authority that is empowered under foreign law to regulate or supervise foreign financial institutions (or designated non-financial businesses and professions) with respect to laws concerning anti-money laundering and countering the financing of terrorism and proliferation.

"(B) FOREIGN FINANCIAL INTELLIGENCE UNIT.—The term 'foreign financial intelligence unit' means any foreign agency or authority, including a foreign financial intelligence unit that is a member of the Egmont Group of Financial Intelligence Units, that is empowered under foreign law as a jurisdiction's national center for—

"(i) receipt and analysis of suspicious transaction reports and other information relevant to money laundering, associated predicate offenses, and the financing of terrorism; and

"(ii) the dissemination of the results of the analysis described in clause (i).

"(C) FOREIGN LAW ENFORCEMENT AUTHORITY.—The term 'foreign law enforcement authority' means any foreign agency or authority that is empowered under foreign law to detect, investigate, or prosecute potential violations of law.

"(2) INFORMATION EXCHANGED WITH FOREIGN LAW ENFORCEMENT AUTHORITIES, FOREIGN FINANCIAL INTELLIGENCE UNITS,

AND FOREIGN ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM AUTHORITIES.—

"(A) IN GENERAL.—The Department of the Treasury may not be compelled to search for or disclose information exchanged with a foreign law enforcement authority, foreign financial intelligence unit, or foreign anti-money laundering and countering the financing of terrorism authority.

"(B) INAPPLICABILITY OF FREEDOM OF INFORMATION ACT.—

"(i) IN GENERAL.—Section 552(a)(3) of title 5 (commonly known as the 'Freedom of Information Act') shall not apply to any request for records or information exchanged between the Department of the Treasury and a foreign law enforcement authority, foreign financial intelligence unit, or foreign anti-money laundering and countering the financing of terrorism authority.

"(ii) SPECIFICALLY EXEMPTED BY STATUTE.—For purposes of section 552 of title 5, this paragraph shall be considered a statute described in subsection (b)(3)(B) of that section.

"(C) CLARIFICATION ON INFORMATION LIMITATIONS AND PROTECTIONS.—

"(i) IN GENERAL.—The provisions of this paragraph shall apply only to information necessary to exercise the duties and powers described under subsection (b).

"(ii) APPROPRIATE CONFIDENTIALITY, CLASSIFICATION, AND DATA SECURITY REQUIREMENTS.—The Secretary, in consultation with the Director, shall ensure that information provided to a foreign law enforcement authority, foreign financial intelligence unit, or foreign anti-money laundering and countering the financing of terrorism authority, is subject to appropriate confidentiality, classification, and data security requirements.

"(3) SAVINGS PROVISION.—Nothing in this section shall authorize the Department of the Treasury to withhold information from Congress, decline to carry out a search for information requested by Congress, or prevent the Department of the Treasury from complying with an order of a court of the United States in an action commenced by the United States.".

(b) AVAILABILITY OF REPORTS.—Section 5319 of title 31, United States Code, is amended, in the fourth sentence, by inserting "search and" before "disclosure".

SEC. 6110. BANK SECRECY ACT APPLICATION TO DEALERS IN ANTIQUITIES AND ASSESSMENT OF BANK SECRECY ACT APPLICATION TO DEALERS IN ARTS.

(a) BANK SECRECY ACT AMENDMENT.—

(1) IN GENERAL.—Section 5312(a)(2) of title 31, United States Code, is amended—

(A) by redesignating subparagraphs (Y) and (Z) as subparagraphs (Z) and (AA), respectively; and

(B) by inserting after subparagraph (X) the following:

"(Y) a person engaged in the trade of antiquities, including an advisor, consultant, or any other person who engages as a business in the solicitation or the sale of

antiquities, subject to regulations prescribed by the Secretary;".

(2) EFFECTIVE DATE.—Section 5312(a)(2)(Y) of title 31, United States Code, as added by paragraph (1), shall take effect on the effective date of the final rules issued by the Secretary of the Treasury pursuant to subsection (b).

(b) RULEMAKING.—

(1) IN GENERAL.—Not later than 360 days after the date of enactment of this Act, the Secretary of the Treasury shall issue proposed rules to carry out the amendments made by subsection (a).

(2) CONSIDERATIONS.—Before issuing a proposed rule under paragraph (1), the Secretary of the Treasury (acting through the Director of the FinCEN), in coordination with the Federal Bureau of Investigation, the Attorney General, and Homeland Security Investigations, shall consider—

(A) the appropriate scope for the rulemaking, including determining which persons should be subject to the rulemaking, by size, type of business, domestic or international geographical locations, or otherwise;

(B) the degree to which the regulations should focus on high-value trade in antiquities, and on the need to identify the actual purchasers of such antiquities, in addition to the agents or intermediaries acting for or on behalf of such purchasers;

(C) the need, if any, to identify persons who are dealers, advisors, consultants, or any other persons who engage as a business in the trade in antiquities;

(D) whether thresholds should apply in determining which persons to regulate;

(E) whether certain exemptions should apply to the regulations; and

(F) any other matter the Secretary determines appropriate.

(c) STUDY OF THE FACILITATION OF MONEY LAUNDERING AND TERROR FINANCE THROUGH THE TRADE IN WORKS OF ART.—The Secretary, in coordination with the Director of the Federal Bureau of Investigation, the Attorney General, and the Secretary of Homeland Security, shall perform a study of the facilitation of money laundering and the financing of terrorism through the trade in works of art, including an analysis of—

(1) the extent to which the facilitation of money laundering and terror finance through the trade in works of art may enter or affect the financial system of the United States, including any qualitative or quantitative data or statistics;

(2) an evaluation of which markets, by size, entity type, domestic or international geographical locations, or otherwise, should be subject to any regulations;

(3) the degree to which the regulations, if any, should focus on high-value trade in works of art, and on the need to identify the actual purchasers of such works, in addition to the agents or intermediaries acting for or on behalf of such purchasers;

(4) the need, if any, to identify persons who are dealers, advisors, consultants, or any other persons who engage as a business in the trade in works of art;

(5) whether thresholds and definitions should apply in determining which entities, if any, to regulate;

(6) an evaluation of whether certain exemptions should apply;

(7) whether information on certain transactions in the trade in works of art has a high degree of usefulness in criminal, tax, or regulatory matters; and

(8) any other matter the Secretary determines is appropriate.

(d) REPORT.—Not later than 360 days after the date of enactment of this Act, the Secretary, in coordination with the Director of the Federal Bureau of Investigation, the Attorney General, and the Secretary of Homeland Security, shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that contains all findings and determinations made in carrying out the study required under subsection (c).

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.) is amended—

(A) in section 104(i)(1)(C) (22 U.S.C. 8513(i)(1)(C)), by striking "(Y)" and inserting "(Z)"; and

(B) in section 104A(d)(1) (22 U.S.C. 8513b(d)(1)), by striking "(Y)" and inserting "(Z)".

(2) Section 2(4) of the Ukraine Freedom Support Act of 2014 (22 U.S.C. 8921(4)) is amended by striking "(Y)" and inserting "(Z)".

SEC. 6111. INCREASING TECHNICAL ASSISTANCE FOR INTERNATIONAL COOPERATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to the Secretary for the purpose described in paragraph (2) $60,000,000 for each of fiscal years 2020 through 2024.

(2) PURPOSE DESCRIBED.—The purpose described in this paragraph is the provision of technical assistance to foreign countries, and financial institutions in foreign countries, that promotes compliance with international standards and best practices, including in particular international standards and best practices relating to the establishment of effective anti-money laundering programs and programs for countering the financing of terrorism.

(3) SENSE OF CONGRESS.—It is the sense of Congress that this subsection could affect a number of Federal agencies and departments and the Secretary should, as appropriate, consult with the heads of those affected agencies and departments, including the Attorney General, in providing the technical assistance required under this subsection.

(b) REPORT ON TECHNICAL ASSISTANCE PROVIDED BY OFFICE OF TECHNICAL ASSISTANCE.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, and every 2 years thereafter for 5 years, the Secretary shall submit to Congress a report on the assistance described in subsection (a)(2) provided by the Office of Technical Assistance of the Department of the Treasury.

(2) ELEMENTS.—Each report required under paragraph (1) shall include—

(A) a description of the strategic goals of the Office of Technical Assistance in the year preceding submission of the report, including an explanation of how technical assistance provided by the Office in that year advanced those goals;

(B) a description of technical assistance provided by the Office in that year, including the objectives and delivery methods of the assistance;

(C) a list of beneficiaries and providers (other than Office staff) of the technical assistance during that year; and

(D) a description of how—

(i) technical assistance provided by the Office complements, duplicates, or otherwise affects or is affected by technical assistance provided by the international financial institutions (as defined in section 1701(c) of the International Financial Institutions Act (22 U.S.C. 262r(c))); and

(ii) efforts to coordinate the technical assistance described in clause (i).

SEC. 6112. INTERNATIONAL COORDINATION.

(a) IN GENERAL.—The Secretary shall work with foreign counterparts of the Secretary, including through bilateral contacts, the Financial Action Task Force, the International Monetary Fund, the World Bank, the Egmont Group of Financial Intelligence Units, the Organisation for Economic Co-operation and Development, the Basel Committee on Banking Supervision, and the United Nations, to promote stronger anti-money laundering frameworks and enforcement of anti-money laundering laws.

(b) SUPPORT FOR STRENGTHENING THE CAPACITY OF THE INTERNATIONAL MONETARY FUND TO PREVENT MONEY LAUNDERING AND THE FINANCING OF TERRORISM.—Section 7125 of the Otto Warmbier North Korea Nuclear Sanctions and Enforcement Act of 2019 (title LXXI of division F of Public Law 116–92; 133 Stat. 2249) is amended—

(1) in subsection (b), by striking "5" and inserting "6"; and

(2) in subsection (c), by striking "2023" and inserting "2024".

TITLE LXII—MODERNIZING THE ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM SYSTEM

SEC. 6201. ANNUAL REPORTING REQUIREMENTS.

(a) ANNUAL REPORT.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Attorney General, in consultation with the Secretary, Federal law enforcement agencies, the Director of National Intelligence, Federal functional regulators, and the heads of other appropriate Federal agencies, shall submit to the Secretary a report that contains statistics, metrics, and other information on the use of data derived from financial institutions reporting under the Bank Secrecy Act (referred to in this subsection as the "reported data"), including—

(1) the frequency with which the reported data contains actionable information that leads to—

(A) further procedures by law enforcement agencies, including the use of a subpoena, warrant, or other legal process; or

(B) actions taken by intelligence, national security, or homeland security agencies;

(2) calculations of the time between the date on which the reported data is reported and the date on which the reported data is used by law enforcement, intelligence, national security, or homeland security agencies, whether through the use of—

(A) a subpoena or warrant; or

(B) other legal process or action;

(3) an analysis of the transactions associated with the reported data, including whether—

(A) the suspicious accounts that are the subject of the reported data were held by legal entities or individuals; and

(B) there are trends and patterns in cross-border transactions to certain countries;

(4) the number of legal entities and individuals identified by the reported data;

(5) information on the extent to which arrests, indictments, convictions, criminal pleas, civil enforcement or forfeiture actions, or actions by national security, intelligence, or homeland security agencies were related to the use of the reported data; and

(6) data on the investigations carried out by State and Federal authorities resulting from the reported data.

(b) REPORT.—Beginning with the fifth report submitted under subsection (a), and once every 5 years thereafter, that report shall include a section describing the use of data derived from reporting by financial institutions under the Bank Secrecy Act over the 5 years preceding the date on which the report is submitted, which shall include a description of long-term trends and the use of long-term statistics, metrics, and other information.

(c) TRENDS, PATTERNS, AND THREATS.—Each report required under subsection (a) and each section included under subsection (b) shall contain a description of retrospective trends and emerging

patterns and threats in money laundering and the financing of terrorism, including national and regional trends, patterns, and threats relevant to the classes of financial institutions that the Attorney General determines appropriate.

(d) USE OF REPORT INFORMATION.—The Secretary shall use the information reported under subsections (a), (b), and (c)—

(1) to help assess the usefulness of reporting under the Bank Secrecy Act to—

(A) criminal and civil law enforcement agencies;

(B) intelligence, defense, and homeland security agencies; and

(C) Federal functional regulators;

(2) to enhance feedback and communications with financial institutions and other entities subject to requirements under the Bank Secrecy Act, including by providing more detail in the reports published and distributed under section 314(d) of the USA PATRIOT Act (31 U.S.C. 5311 note);

(3) to assist FinCEN in considering revisions to the reporting requirements promulgated under section 314(d) of the USA PATRIOT Act (31 U.S.C. 5311 note); and

(4) for any other purpose the Secretary determines is appropriate.

(e) CONFIDENTIALITY.—Any information received by a financial institution under this section shall be subject to confidentiality requirements established by the Secretary.

SEC. 6202. ADDITIONAL CONSIDERATIONS FOR SUSPICIOUS ACTIVITY REPORTING REQUIREMENTS.

Section 5318(g) of title 31, United States Code, is amended by adding at the end the following:

"(5) CONSIDERATIONS IN IMPOSING REPORTING REQUIREMENTS.—

"(A) DEFINITIONS.—In this paragraph, the terms 'Bank Secrecy Act', 'Federal functional regulator', 'State bank supervisor', and 'State credit union supervisor' have the meanings given the terms in section 6003 of the Anti-Money Laundering Act of 2020.

"(B) REQUIREMENTS.—In imposing any requirement to report any suspicious transaction under this subsection, the Secretary of the Treasury, in consultation with the Attorney General, appropriate representatives of State bank supervisors, State credit union supervisors, and the Federal functional regulators, shall consider items that include—

"(i) the national priorities established by the Secretary;

"(ii) the purposes described in section 5311; and

"(iii) the means by or form in which the Secretary shall receive such reporting, including the burdens imposed by such means or form of reporting on persons required to provide such reporting, the efficiency of the means or form, and the benefits derived by the means or form of reporting by Federal law enforcement agencies and the intelligence community in countering financial crime, including money laundering and the financing of terrorism.

"(C) COMPLIANCE PROGRAM.—Reports filed under this subsection shall be guided by the compliance program of a covered financial institution with respect to the Bank Secrecy Act, including the risk assessment processes of the covered institution that should include a consideration of priorities established by the Secretary of the Treasury under section 5318.

"(D) STREAMLINED DATA AND REAL-TIME REPORTING.—

"(i) REQUIREMENT TO ESTABLISH SYSTEM.—In considering the means by or form in which the Secretary of the Treasury shall receive reporting pursuant to subparagraph (B)(iii), the Secretary of the Treasury, acting through the Director of the Financial Crimes Enforcement Network, and in consultation with appropriate representatives of the State bank supervisors, State credit union supervisors, and Federal functional regulators, shall—

"(I) establish streamlined, including automated, processes to, as appropriate, permit the filing of noncomplex categories of reports that—

"(aa) reduce burdens imposed on persons required to report; and

"(bb) do not diminish the usefulness of the reporting to Federal law enforcement agencies, national security officials, and the intelligence community in combating financial crime, including the financing of terrorism;

"(II) subject to clause (ii)—

"(aa) permit streamlined, including automated, reporting for the categories described in subclause (I); and

"(bb) establish the conditions under which the reporting described in item (aa) is permitted; and

"(III) establish additional systems and processes as necessary to allow for the reporting described in subclause (II)(aa).

"(ii) STANDARDS.—The Secretary of the Treasury—

"(I) in carrying out clause (i), shall establish standards to ensure that streamlined reports relate to suspicious transactions relevant to potential violations of law (including regulations); and

"(II) in establishing the standards under subclause (I), shall consider transactions, including structured transactions, designed to evade any regulation promulgated under this subchapter, certain fund and asset transfers with little or no apparent economic or business purpose, transactions without lawful purposes, and any other transaction that the Secretary determines to be appropriate.

"(iii) RULE OF CONSTRUCTION.—Nothing in this subparagraph may be construed to preclude the Secretary of the Treasury from—

"(I) requiring reporting as provided for in subparagraphs (B) and (C); or

"(II) notifying Federal law enforcement with respect to any transaction that the Secretary has determined implicates a national priority established by the Secretary.".

SEC. 6203. LAW ENFORCEMENT FEEDBACK ON SUSPICIOUS ACTIVITY REPORTS.

(a) FEEDBACK.—

(1) IN GENERAL.—FinCEN shall, to the extent practicable, periodically solicit feedback from individuals designated under section 5318(h)(1)(B) of title 31, United States Code, by a variety of financial institutions representing a cross-section of the reporting industry to review the suspicious activity reports filed by those financial institutions and discuss trends in suspicious activity observed by FinCEN.

(2) COORDINATION WITH FEDERAL FUNCTIONAL REGULATORS AND STATE BANK SUPERVISORS AND STATE CREDIT UNION SUPERVISORS.—FinCEN shall provide any feedback solicited under paragraph (1) to the appropriate Federal functional regulator, State bank supervisor, or State credit union supervisor during the regularly scheduled examination of the applicable financial institution by the Federal functional regulator, State bank supervisor, or State credit union supervisor, as applicable.

(b) DISCLOSURE REQUIRED.—

(1) IN GENERAL.—

(A) PERIODIC DISCLOSURE.—Except as provided in paragraph (2), FinCEN shall, to the extent practicable, periodically disclose to each financial institution, in summary form, information on suspicious activity reports filed that proved useful to Federal or State criminal or civil law enforcement agencies during the period since the most recent disclosure under this paragraph to the financial institution.

(B) RULE OF CONSTRUCTION.—Nothing in this paragraph may be construed to require the public disclosure of any information filed with the Department of the Treasury under the Bank Secrecy Act.

(2) EXCEPTION FOR ONGOING OR CLOSED INVESTIGATIONS AND TO PROTECT NATIONAL SECURITY.—FinCEN shall not be required to disclose to a financial institution any information under paragraph (1) that relates to an ongoing or closed investigation or implicates the national security of the United States.

(3) MAINTENANCE OF STATISTICS.—With respect to the actions described in paragraph (1), FinCEN shall keep records of all such actions taken to assist with the production of the reports described in paragraph (5) of section 5318(g) of title 31, United States Code, as added by section 6202 of this division, and for other purposes.

(4) COORDINATION WITH DEPARTMENT OF JUSTICE.—The information disclosed by FinCEN under this subsection shall include information from the Department of Justice regarding—

(A) the review and use by the Department of suspicious activity reports filed by the applicable financial institution during the period since the most recent disclosure under this subsection; and

(B) any trends in suspicious activity observed by the Department.

SEC. 6204. STREAMLINING REQUIREMENTS FOR CURRENCY TRANSACTION REPORTS AND SUSPICIOUS ACTIVITY REPORTS.

(a) REVIEW.—The Secretary, in consultation with the Attorney General, Federal law enforcement agencies, the Secretary of Homeland Security, the Federal functional regulators, State bank supervisors, State credit union supervisors, and other relevant stakeholders, shall undertake a formal review of the financial institution reporting requirements relating to currency transaction reports and suspicious activity reports, as in effect on the date of enactment of this Act, including the processes used to submit reports under the Bank Secrecy Act, regulations implementing the Bank Secrecy Act, and related guidance, and propose changes to those reports to reduce any unnecessarily burdensome regulatory requirements and ensure that the information provided fulfills the purposes described in section 5311 of title 31, United States Code, as amended by section 6101(a) of this division.

(b) CONTENTS.—The review required under subsection (a) shall—

(1) rely substantially on information obtained through the BSA Data Value Analysis Project conducted by FinCEN; and

(2) include a review of—

(A) whether the circumstances under which a financial institution determines whether to file a continuing suspicious activity report, including insider abuse, or the processes followed by a financial institution in determining whether to file a continuing suspicious activity report, or both, should be streamlined or otherwise adjusted;

(B) whether different thresholds should apply to different categories of activities;

(C) the fields designated as critical on the suspicious activity report form, the fields on the currency transaction report form, and whether the number or nature of the fields on those forms should be adjusted;

(D) the categories, types, and characteristics of suspicious activity reports and currency transaction reports that are of the greatest value to, and that best support, investigative priorities of law enforcement and national security agencies;

(E) the increased use or expansion of exemption provisions to reduce currency transaction reports that may be of little or no value to the efforts of law enforcement agencies;

(F) the most appropriate ways to promote financial inclusion and address the adverse consequences of financial institutions de-risking entire categories of relationships, including charities, embassy accounts, and money service businesses (as defined in section 1010.100(ff) of title 31, Code of Federal Regulations), and certain groups of correspondent banks without conducting a proper assessment of the specific risk of each individual member of these populations;

(G) the current financial institution reporting requirements under the Bank Secrecy Act and regulations and guidance implementing the Bank Secrecy Act;

(H) whether the process for the electronic submission of reports could be improved for both financial institutions and law enforcement agencies, including by allowing

greater integration between financial institution systems and the electronic filing system to allow for automatic population of report fields and the automatic submission of transaction data for suspicious transactions, without bypassing the obligation of each reporting financial institution to assess the specific risk of the transactions reported;

(I) the appropriate manner in which to ensure the security and confidentiality of personal information;

(J) how to improve the cross-referencing of individuals or entities operating at multiple financial institutions and across international borders;

(K) whether there are ways to improve currency transaction report aggregation for entities with common ownership;

(L) whether financial institutions should be permitted to streamline or otherwise adjust, with respect to particular types of customers or transactions, the process for determining whether activity is suspicious or the information included in the narrative of a suspicious activity report; and

(M) any other matter the Secretary determines is appropriate.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary, in consultation with the Attorney General, Federal law enforcement agencies, the Director of National Intelligence, the Secretary of Homeland Security, and the Federal functional regulators, shall—

(1) submit to Congress a report that contains all findings and determinations made in carrying out the review required under subsection (a); and

(2) propose rulemakings, as appropriate, to implement the findings and determinations described in paragraph (1).

SEC. 6205. CURRENCY TRANSACTION REPORTS AND SUSPICIOUS ACTIVITY REPORTS THRESHOLDS REVIEW.

(a) REVIEW OF THRESHOLDS FOR CERTAIN CURRENCY TRANSACTION REPORTS AND SUSPICIOUS ACTIVITY REPORTS.—The Secretary, in consultation with the Attorney General, the Director of National Intelligence, the Secretary of Homeland Security, the Federal functional regulators, State bank supervisors, State credit union supervisors, and other relevant stakeholders, shall review and determine whether the dollar thresholds, including aggregate thresholds, under sections 5313, 5318(g), and 5331 of title 31, United States Code, including regulations issued under those sections, should be adjusted.

(b) CONSIDERATIONS.—In making the determinations required under subsection (a), the Secretary, in consultation with the Attorney General, the Director of National Intelligence, the Secretary of Homeland Security, the Federal functional regulators, State bank supervisors, State credit union supervisors, and other relevant stakeholders, shall—

(1) rely substantially on information obtained through the BSA Data Value Analysis Project conducted by FinCEN and on information obtained through the Currency Transaction Report analyses conducted by the Comptroller General of the United States; and

(2) consider—

(A) the effects that adjusting the thresholds would have on law enforcement, intelligence, national security, and homeland security agencies;

(B) the costs likely to be incurred or saved by financial institutions from any adjustment to the thresholds;

(C) whether adjusting the thresholds would better conform the United States with international norms and standards to counter money laundering and the financing of terrorism;

(D) whether currency transaction report thresholds should be tied to inflation or otherwise be adjusted based on other factors consistent with the purposes of the Bank Secrecy Act;

(E) any other matter that the Secretary determines is appropriate.

(c) REPORT AND RULEMAKINGS.—Not later than 1 year after the date of enactment of this Act, the Secretary, in consultation with the Attorney General, the Director of National Intelligence, the Secretary of Homeland Security, the Federal functional regulators, State bank supervisors, State credit union supervisors, and other relevant stakeholders, shall—

(1) publish a report of the findings from the review required under subsection (a); and

(2) propose rulemakings, as appropriate, to implement the findings and determinations described in paragraph (1).

(d) UPDATES.—Not less frequently than once every 5 years during the 10-year period beginning on the date of enactment of this Act, the Secretary shall—

(1) evaluate findings and rulemakings described in subsection (c); and

(2) transmit a written summary of the evaluation to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate; and

(3) propose rulemakings, as appropriate, in response to the evaluation required under paragraph (1).

SEC. 6206. SHARING OF THREAT PATTERN AND TREND INFORMATION.

Section 5318(g) of title 31, United States Code, as amended by section 6202 of this division, is amended by adding at the end the following:

"(6) SHARING OF THREAT PATTERN AND TREND INFORMATION.—

"(A) DEFINITIONS.—In this paragraph—

"(i) the terms 'Bank Secrecy Act' and 'Federal functional regulator' have the meanings given the terms in section 6003 of the Anti-Money Laundering Act of 2020; and

"(ii) the term 'typology' means a technique to launder money or finance terrorism.

"(B) SUSPICIOUS ACTIVITY REPORT ACTIVITY REVIEW.—Not less frequently than semiannually, the Director of the Financial Crimes Enforcement Network shall publish threat pattern and trend information to provide meaningful information about the preparation, use, and value of reports filed under this subsection by financial institutions, as

well as other reports filed by financial institutions under the Bank Secrecy Act.

"(C) INCLUSION OF TYPOLOGIES.—In each publication published under subparagraph (B), the Director shall provide financial institutions and the Federal functional regulators with typologies, including data that can be adapted in algorithms if appropriate, relating to emerging money laundering and terrorist financing threat patterns and trends.

"(7) RULES OF CONSTRUCTION.—Nothing in this subsection may be construed as precluding the Secretary of the Treasury from—

"(A) requiring reporting as provided under subparagraphs (A) and (B) of paragraph (6); or

"(B) notifying a Federal law enforcement agency with respect to any transaction that the Secretary has determined directly implicates a national priority established by the Secretary.".

SEC. 6207. SUBCOMMITTEE ON INNOVATION AND TECHNOLOGY.

Section 1564 of the Annunzio-Wylie Anti-Money Laundering Act (31 U.S.C. 5311 note) is amended by adding at the end the following:

"(d) SUBCOMMITTEE ON INNOVATION AND TECHNOLOGY.—

"(1) DEFINITIONS.—In this subsection, the terms 'Bank Secrecy Act', 'State bank supervisor', and 'State credit union supervisor' have the meanings given the terms in section 6003 of the Anti-Money Laundering Act of 2020.

"(2) ESTABLISHMENT.—There shall be within the Bank Secrecy Act Advisory Group a subcommittee to be known as the 'Subcommittee on Innovation and Technology' to—

"(A) advise the Secretary of the Treasury regarding means by which the Department of the Treasury, FinCEN, the Federal functional regulators, State bank supervisors, and State credit union supervisors, as appropriate, can most effectively encourage and support technological innovation in the area of anti-money laundering and countering the financing of terrorism and proliferation; and

"(B) reduce, to the extent practicable, obstacles to innovation that may arise from existing regulations, guidance, and examination practices related to compliance of financial institutions with the Bank Secrecy Act.

"(3) MEMBERSHIP.—

"(A) IN GENERAL.—The subcommittee established under paragraph (1) shall consist of the representatives of the heads of the Federal functional regulators, including, as appropriate, the Bank Secrecy Act Innovation Officers as established in section 6208 of the Anti-Money Laundering Act of 2020, a representative of State bank supervisors, a representative of State credit union supervisors, representatives of a cross-section of financial institutions subject to the Bank Secrecy Act, law enforcement, FinCEN, and any other representative as determined by the Secretary of the Treasury.

"(B) REQUIREMENTS.—Each agency representative described in subparagraph (A) shall be an individual who

has demonstrated knowledge and competence concerning the application of the Bank Secrecy Act.

"(4) SUNSET.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the Subcommittee on Innovation and Technology shall terminate on the date that is 5 years after the date of enactment of this subsection.

"(B) EXCEPTION.—The Secretary of the Treasury may renew the Subcommittee on Innovation for 1-year periods beginning on the date that is 5 years after the date of enactment of this subsection.".

SEC. 6208. ESTABLISHMENT OF BANK SECRECY ACT INNOVATION OFFICERS.

(a) APPOINTMENT OF OFFICERS.—Not later than 1 year after the effective date of the regulations promulgated under subsection (d) of section 310 of title 31, United States Code, as added by section 6103 of this division, an Innovation Officer shall be appointed within FinCEN and each Federal functional regulator.

(b) INNOVATION OFFICER.—The Innovation Officer shall be appointed by, and report to, the Director of FinCEN or the head of the Federal functional regulator, as applicable.

(c) DUTIES.—Each Innovation Officer, in coordination with other Innovation Officers and the agencies of the Innovation Officers, shall—

(1) provide outreach to law enforcement agencies, State bank supervisors, financial institutions and associations of financial institutions, agents of financial institutions, and other persons (including service providers, vendors and technology companies) with respect to innovative methods, processes, and new technologies that may assist in compliance with the requirements of the Bank Secrecy Act;

(2) provide technical assistance or guidance relating to the implementation of responsible innovation and new technology by financial institutions and associations of financial institutions, agents of financial institutions, and other persons (including service providers, vendors and technology companies), in a manner that complies with the requirements of the Bank Secrecy Act;

(3) if appropriate, explore opportunities for public-private partnerships; and

(4) if appropriate, develop metrics of success.

SEC. 6209. TESTING METHODS RULEMAKING.

(a) IN GENERAL.—Section 5318 of title 31, United States Code is amended by adding at the end the following:

"(o) TESTING.—

"(1) IN GENERAL.—The Secretary of the Treasury, in consultation with the head of each agency to which the Secretary has delegated duties or powers under subsection (a), shall issue a rule to specify with respect to technology and related technology internal processes designed to facilitate compliance with the requirements under this subchapter, the standards by which financial institutions are to test the technology and related technology internal processes.

"(2) STANDARDS.—The standards described in paragraph (1) may include—

"(A) an emphasis on using innovative approaches such as machine learning or other enhanced data analytics processes;

"(B) risk-based testing, oversight, and other risk management approaches of the regime, prior to and after implementation, to facilitate calibration of relevant systems and prudently evaluate and monitor the effectiveness of their implementation;

"(C) specific criteria for when and how risk-based testing against existing processes should be considered to test and validate the effectiveness of relevant systems and situations and standards for when other risk management processes, including those developed by or through third party risk and compliance management systems, and oversight may be more appropriate;

"(D) specific standards for a risk governance framework for financial institutions to provide oversight and to prudently evaluate and monitor systems and testing processes both pre- and post-implementation;

"(E) requirements for appropriate data privacy and information security; and

"(F) a requirement that the system configurations, including any applicable algorithms and any validation of those configurations used by the regime be disclosed to the Financial Crimes Enforcement Network and the appropriate Federal functional regulator upon request.

"(3) CONFIDENTIALITY OF ALGORITHMS.—

"(A) IN GENERAL.—If a financial institution or any director, officer, employee, or agent of any financial institution, voluntarily or pursuant to this subsection or any other authority, discloses the algorithms of the financial institution to a government agency, the algorithms and any materials associated with the creation or adaption of such algorithms shall be considered confidential and not subject to public disclosure.

"(B) FREEDOM OF INFORMATION ACT.—Section 552(a)(3) of title 5 (commonly known as the 'Freedom of Information Act') shall not apply to any request for algorithms described in subparagraph (A) and any materials associated with the creation or adaptation of the algorithms.

"(4) DEFINITION.—In this subsection, the term 'Federal functional regulator' means—

"(A) the Board of Governors of the Federal Reserve System;

"(B) the Office of the Comptroller of the Currency;

"(C) the Federal Deposit Insurance Corporation;

"(D) the National Credit Union Administration;

"(E) the Securities and Exchange Commission; and

"(F) the Commodity Futures Trading Commission.".

(b) UPDATE OF MANUAL.—The Financial Institutions Examination Council shall ensure that any manual prepared by the Council is—

(1) updated to reflect the rulemaking required by subsection (o) section 5318 of title 31, United States Code, as added by subsection (a) of this section; and

(2) consistent with relevant FinCEN and Federal functional regulator guidance, including the December 2018 Joint Statement on Innovative Efforts to Combat Money Laundering and Terrorist Financing.

SEC. 6210. FINANCIAL TECHNOLOGY ASSESSMENT.

(a) IN GENERAL.—The Secretary, in consultation with financial regulators, technology experts, national security experts, law enforcement, and any other group the Secretary determines is appropriate, shall analyze the impact of financial technology on financial crimes compliance, including with respect to money laundering, the financing of terrorism, proliferation finance, serious tax fraud, trafficking, sanctions evasion, and other illicit finance.

(b) COORDINATION.—In carrying out the duties required under this section, the Secretary shall consult with relevant agency officials and consider other interagency efforts and data relating to examining the impact of financial technology, including activities conducted by—

(1) cyber security working groups at the Department of the Treasury;

(2) cyber security experts identified by the Attorney General and the Secretary of Homeland Security;

(3) the intelligence community; and

(4) the Financial Stability Oversight Council.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate and the Committee on Financial Services and the Committee on Foreign Affairs of the House of Representatives a report containing any findings under subsection (a), including legislative and administrative recommendations.

SEC. 6211. FINANCIAL CRIMES TECH SYMPOSIUM.

(a) PURPOSE.—The purposes of this section are to—

(1) promote greater international collaboration in the effort to prevent and detect financial crimes and suspicious activities; and

(2) facilitate the investigation, development, and timely adoption of new technologies aimed at preventing and detecting financial crimes and other illicit activities.

(b) PERIODIC MEETINGS.—The Secretary shall, in coordination with the Subcommittee on Innovation and Technology established under subsection (d) of section 1564 of the Annunzio-Wylie Anti-Money Laundering Act, as added by section 6207 of this division, periodically convene a global anti-money laundering and financial crime symposium focused on how new technology can be used to more effectively combat financial crimes and other illicit activities.

(c) ATTENDEES.—Attendees at each symposium convened under this section shall include domestic and international financial regulators, senior executives from regulated firms, technology providers, representatives from law enforcement and national security agencies, academic and other experts, and other individuals that the Secretary determines are appropriate.

(d) PANELS.—At each symposium convened under this section, the Secretary shall convene panels in order to review new technologies and permit attendees to demonstrate proof of concept.

(e) IMPLEMENTATION AND REPORTS.—The Secretary shall, to the extent practicable and necessary, work to provide policy clarity, which may include providing reports or guidance to stakeholders, regarding innovative technologies and practices presented at each symposium convened under this section, to the extent that those technologies and practices further the purposes of this section.

(f) FINCEN BRIEFING.—Not later than 90 days after the date of enactment of this Act, the Director of FinCEN shall brief the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the use of emerging technologies, including—

(1) the status of implementation and internal use of emerging technologies, including artificial intelligence, digital identity technologies, distributed ledger technologies, and other innovative technologies within FinCEN;

(2) whether artificial intelligence, digital identity technologies, distributed ledger technologies, and other innovative technologies can be further leveraged to make data analysis by FinCEN more efficient and effective;

(3) whether FinCEN could better use artificial intelligence, digital identity technologies, distributed ledger technologies, and other innovative technologies to—

(A) more actively analyze and disseminate the information FinCEN collects and stores to provide investigative leads to Federal, State, Tribal, and local law enforcement agencies and other Federal agencies; and

(B) better support ongoing investigations by FinCEN when referring a case to the agencies described in subparagraph (A);

(4) with respect to each of paragraphs (1), (2), and (3), any best practices or significant concerns identified by the Director, and their applicability to artificial intelligence, digital identity technologies, distributed ledger technologies, and other innovative technologies with respect to United States efforts to combat money laundering and other forms of illicit finance;

(5) any policy recommendations that could facilitate and improve communication and coordination between the private sector, FinCEN, and the agencies described in paragraph (3) through the implementation of innovative approaches to meet the obligations of the agencies under the Bank Secrecy Act and anti-money laundering compliance; and

(6) any other matter the Director determines is appropriate.

SEC. 6212. PILOT PROGRAM ON SHARING OF INFORMATION RELATED TO SUSPICIOUS ACTIVITY REPORTS WITHIN A FINANCIAL GROUP.

(a) SHARING WITH FOREIGN BRANCHES AND AFFILIATES.—Section 5318(g) of title 31, United States Code, as amended by sections 6202 and 6206 of this division, is amended by adding at the end the following:

"(8) PILOT PROGRAM ON SHARING WITH FOREIGN BRANCHES, SUBSIDIARIES, AND AFFILIATES.—

"(A) IN GENERAL.—

"(i) ISSUANCE OF RULES.—Not later than 1 year after the date of enactment of this paragraph, the

Secretary of the Treasury shall issue rules, in coordination with the Director of the Financial Crimes Enforcement Network, establishing the pilot program described in subparagraph (B).

"(ii) CONSIDERATIONS.—In issuing the rules required under clause (i), the Secretary shall ensure that the sharing of information described in subparagraph (B)—

"(I) is limited by the requirements of Federal and State law enforcement operations;

"(II) takes into account potential concerns of the intelligence community; and

"(III) is subject to appropriate standards and requirements regarding data security and the confidentiality of personally identifiable information.

"(B) PILOT PROGRAM DESCRIBED.—The pilot program described in this paragraph shall—

"(i) permit a financial institution with a reporting obligation under this subsection to share information related to reports under this subsection, including that such a report has been filed, with the institution's foreign branches, subsidiaries, and affiliates for the purpose of combating illicit finance risks, notwithstanding any other provision of law except subparagraph (A) or (C);

"(ii) permit the Secretary to consider, implement, and enforce provisions that would hold a foreign affiliate of a United States financial institution liable for the disclosure of information related to reports under this section;

"(iii) terminate on the date that is 3 years after the date of enactment of this paragraph, except that the Secretary of the Treasury may extend the pilot program for not more than 2 years upon submitting to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that includes—

"(I) a certification that the extension is in the national interest of the United States, with a detailed explanation of the reasons that the extension is in the national interest of the United States;

"(II) after appropriate consultation by the Secretary with participants in the pilot program, an evaluation of the usefulness of the pilot program, including a detailed analysis of any illicit activity identified or prevented as a result of the program; and

"(III) a detailed legislative proposal providing for a long-term extension of activities under the pilot program, measures to ensure data security, and confidentiality of personally identifiable information, including expected budgetary resources for those activities, if the Secretary of the Treasury determines that a long-term extension is appropriate.

"(C) PROHIBITION INVOLVING CERTAIN JURISDICTIONS.—

"(i) IN GENERAL.—In issuing the rules required under subparagraph (A), the Secretary of the Treasury may not permit a financial institution to share information on reports under this subsection with a foreign branch, subsidiary, or affiliate located in—

"(I) the People's Republic of China;

"(II) the Russian Federation; or

"(III) a jurisdiction that—

"(aa) is a state sponsor of terrorism;

"(bb) is subject to sanctions imposed by the Federal Government; or

"(cc) the Secretary has determined cannot reasonably protect the security and confidentiality of such information.

"(ii) EXCEPTIONS.—The Secretary is authorized to make exceptions, on a case-by-case basis, for a financial institution located in a jurisdiction listed in subclause (I) or (II) of clause (i), if the Secretary notifies the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives that such an exception is in the national security interest of the United States.

"(D) IMPLEMENTATION UPDATES.—Not later than 360 days after the date on which rules are issued under subparagraph (A), and annually thereafter for 3 years, the Secretary of the Treasury, or the designee of the Secretary, shall brief the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on—

"(i) the degree of any information sharing permitted under the pilot program and a description of criteria used by the Secretary to evaluate the appropriateness of the information sharing;

"(ii) the effectiveness of the pilot program in identifying or preventing the violation of a United States law or regulation and mechanisms that may improve that effectiveness; and

"(iii) any recommendations to amend the design of the pilot program.

"(9) TREATMENT OF FOREIGN JURISDICTION-ORIGINATED REPORTS.—Information related to a report received by a financial institution from a foreign affiliate with respect to a suspicious transaction relevant to a possible violation of law or regulation shall be subject to the same confidentiality requirements provided under this subsection for a report of a suspicious transaction described in paragraph (1).

"(10) NO OFFSHORING COMPLIANCE.—No financial institution may establish or maintain any operation located outside of the United States the primary purpose of which is to ensure compliance with the Bank Secrecy Act as a result of the sharing granted under this subsection.

"(11) DEFINITIONS.—In this subsection:

"(A) AFFILIATE.—The term 'affiliate' means an entity that controls, is controlled by, or is under common control with another entity.

"(B) BANK SECRECY ACT; STATE BANK SUPERVISOR; STATE CREDIT UNION SUPERVISOR.—The terms 'Bank

Secrecy Act', 'State bank supervisor', and 'State credit union supervisor' have the meanings given the terms in section 6003 of the Anti-Money Laundering Act of 2020.".

(b) NOTIFICATION PROHIBITIONS.—Section 5318(g)(2)(A) of title 31, United States Code, is amended—

(1) in clause (i), by inserting "or otherwise reveal any information that would reveal that the transaction has been reported," after "transaction has been reported"; and

(2) in clause (ii), by inserting "or otherwise reveal any information that would reveal that the transaction has been reported," after "transaction has been reported,".

SEC. 6213. SHARING OF COMPLIANCE RESOURCES.

(a) IN GENERAL.—Section 5318 of title 31, United States Code, as amended by section 6209 of this division, is amended by adding at the end the following:

"(p) SHARING OF COMPLIANCE RESOURCES.—

"(1) SHARING PERMITTED.—In order to more efficiently comply with the requirements of this subchapter, 2 or more financial institutions may enter into collaborative arrangements, as described in the statement entitled 'Interagency Statement on Sharing Bank Secrecy Act Resources', published on October 3, 2018, by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Financial Crimes Enforcement Network, the National Credit Union Administration, and the Office of the Comptroller of the Currency.

"(2) OUTREACH.—The Secretary of the Treasury and the appropriate supervising agencies shall carry out an outreach program to provide financial institutions with information, including best practices, with respect to the collaborative arrangements described in paragraph (1).".

(b) RULE OF CONSTRUCTION.—The amendment made by subsection (a) may not be construed to require financial institutions to share resources.

SEC. 6214. ENCOURAGING INFORMATION SHARING AND PUBLIC-PRIVATE PARTNERSHIPS.

(a) IN GENERAL.—The Secretary shall convene a supervisory team of relevant Federal agencies, private sector experts in banking, national security, and law enforcement, and other stakeholders to examine strategies to increase cooperation between the public and private sectors for purposes of countering illicit finance, including proliferation finance and sanctions evasion.

(b) MEETINGS.—The supervisory team convened under subsection (a) shall meet periodically to advise on strategies to combat the risk relating to proliferation financing.

(c) FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the supervisory team convened under subsection (a) or to the activities of the supervisory team.

SEC. 6215. FINANCIAL SERVICES DE-RISKING.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) providing vital humanitarian and development assistance and protecting the integrity of the international financial system are complementary goals;

(2) nonprofit organizations based in the United States with international activities often face difficulties with financial access, most commonly the inability to send funds internationally through transparent, regulated financial channels;

(3) without access to timely and predictable banking services, nonprofit organizations, including international development organizations, cannot carry out essential humanitarian activities critical to the survival of those in affected communities;

(4) similar access issues are a concern for other underserved individuals and entities such as those sending remittances from the United States to their families overseas and certain domestic and overseas jurisdictions that have experienced curtailed access to cross-border financial services due, in part, to de-risking;

(5) the financial exclusion caused by de-risking can ultimately drive money into less transparent, shadow channels through the carrying of cash or use of unlicensed or unregistered money service remitters, thus reducing transparency and traceability, which are critical for financial integrity, and can increase the risk of money falling into the wrong hands;

(6) effective measures are needed to stop the flow of illicit funds and promote the goals of anti-money laundering and countering the financing of terrorism and sanctions regimes;

(7) anti-money laundering, countering the financing of terrorism, and sanctions policies are needed that do not unduly hinder or delay the efforts of legitimate humanitarian organizations in providing assistance to—

(A) meet the needs of civilians facing a humanitarian crisis, including enabling governments and humanitarian organizations to provide them with timely access to food, health, and medical care, shelter, and clean drinking water; and

(B) prevent or alleviate human suffering, in keeping with requirements of international humanitarian law;

(8) anti-money laundering, countering the financing of terrorism, and sanctions policies must ensure that the policies do not unduly hinder or delay legitimate access to the international financial system for underserved individuals, entities, and geographic areas;

(9) policies that ensure that incidental, inadvertent benefits that may indirectly benefit a designated group in the course of delivering life-saving aid to civilian populations are not the primary focus of Federal Government enforcement efforts;

(10) policies that encourage financial inclusion, particularly of underserved populations, must remain a priority; and

(11) laws, regulations, policies, guidance, and other measures that ensure the integrity of the financial system through a risk-based approach should be prioritized.

(b) GAO DE-RISKING ANALYSIS.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall conduct an analysis and submit to Congress a report on financial services de-risking.

(2) CONTENTS.—The analysis required under paragraph (1) shall—

(A) rely substantially on information obtained through prior de-risking analyses conducted by the Comptroller General of the United States;

(B) consider the many drivers of de-risking as identified by the Financial Action Task Force, including profitability, reputational risk, lower risk appetites of banks, regulatory burdens and unclear expectations, and sanctions regimes; and

(C) identify options for financial institutions handling transactions or accounts for high-risk categories of clients and for minimizing the negative effects of anti-money laundering and countering the financing of terrorism requirements on such individuals and entities and on certain high-risk geographic jurisdictions, without compromising the effectiveness of Federal anti-money laundering and countering the financing of terrorism requirements.

(c) REVIEW OF DE-RISKING.—

(1) DEFINITION.—In this subsection, the term "de-risking" means actions taken by a financial institution to terminate, fail to initiate, or restrict a business relationship with a customer, or a category of customers, rather than manage the risk associated with that relationship consistent with risk-based supervisory or regulatory requirements, due to drivers such as profitability, reputational risk, lower risk appetites of banks, regulatory burdens or unclear expectations, and sanctions regimes.

(2) REVIEW.—Upon completion of the analysis required under subsection (b), the Secretary, in consultation with the Federal functional regulators, State bank supervisors, State credit union supervisors, and appropriate public- and private-sector stakeholders shall—

(A) undertake a formal review of the financial institution reporting requirements, as in effect on the date of enactment of this Act, including the processes used to submit reports under the Bank Secrecy Act, regulations implementing the Bank Secrecy Act, examination standards related to the Bank Secrecy Act, and related guidance; and

(B) propose changes, as appropriate, to those requirements and examination standards described in paragraph (1) to reduce any unnecessarily burdensome regulatory requirements and ensure that the information provided fulfills the purpose described in section 5311 of title 31, United States Code, as amended by this division.

(3) CONTENTS.—The review required under paragraph (2) shall—

(A) rely substantially on information obtained through the de-risking analyses conducted by the Comptroller General of the United States; and

(B) consider—

(i) any adverse consequence of financial institutions de-risking entire categories of relationships, including charities, embassy accounts, money services businesses, as defined in section 1010.100 of title 31, Code of Federal Regulations, or a successor regulation, agents of the financial institutions, countries, international and domestic regions, and respondent banks;

(ii) the reasons why financial institutions are engaging in de-risking, including the role of domestic and international regulations, standards, and examinations;

(iii) the association with and effects of de-risking on money laundering and financial crime actors and activities;

(iv) the most appropriate ways to promote financial inclusion, particularly with respect to developing countries, while maintaining compliance with the Bank Secrecy Act, including an assessment of policy options to—

(I) more effectively tailor Federal actions and penalties to the size of foreign financial institutions and any capacity limitations of foreign governments; and

(II) reduce compliance costs that may lead to the adverse consequences described in clause (i);

(v) formal and informal feedback provided by examiners that may have led to de-risking;

(vi) the relationship between resources dedicated to compliance and overall sophistication of compliance efforts at entities that may be experiencing de-risking, especially compared to those that have not experienced de-risking;

(vii) best practices from the private sector that facilitate correspondent banking relationships; and

(viii) other matters that the Secretary determines are appropriate.

(4) STRATEGY ON DE-RISKING.—Upon the completion of the review required under this subsection, the Secretary of the Treasury, in consultation with the Federal functional regulators, State bank supervisors, State credit union supervisors, and appropriate public- and private-sector stakeholders, shall develop a strategy to reduce de-risking and adverse consequences related to de-risking.

(5) REPORT.—Not later than 1 year after the completion of the analysis required under subsection (b), the Secretary shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report containing—

(A) all findings and determinations made in carrying out the review required under this subsection; and

(B) the strategy developed under paragraph (4).

SEC. 6216. REVIEW OF REGULATIONS AND GUIDANCE.

(a) IN GENERAL.—The Secretary, in consultation with the Federal functional regulators, the Financial Institutions Examination Council, the Attorney General, Federal law enforcement agencies, the Director of National Intelligence, the Secretary of Homeland Security, and the Commissioner of Internal Revenue, shall—

(1) undertake a formal review of the regulations implementing the Bank Secrecy Act and guidance related to that Act—

(A) to ensure the Department of the Treasury provides, on a continuing basis, for appropriate safeguards to protect

the financial system from threats, including money laundering and the financing of terrorism and proliferation, to national security posed by various forms of financial crime;

(B) to ensure that those provisions will continue to require certain reports or records that are highly useful in countering financial crime; and

(C) to identify those regulations and guidance that—

(i) may be outdated, redundant, or otherwise do not promote a risk-based anti-money laundering compliance and countering the financing of terrorism regime for financial institutions; or

(ii) do not conform with the commitments of the United States to meet international standards to combat money laundering, financing of terrorism, serious tax fraud, or other financial crimes; and

(2) make appropriate changes to the regulations and guidance described in paragraph (1) to improve, as appropriate, the efficiency of those provisions.

(b) PUBLIC COMMENT.—The Secretary shall solicit public comment as part of the review required under subsection (a).

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary, in consultation with the Financial Institutions Examination Council, the Federal functional regulators, the Attorney General, Federal law enforcement agencies, the Director of National Intelligence, the Secretary of Homeland Security, and the Commissioner of Internal Revenue, shall submit to Congress a report that contains all findings and determinations made in carrying out the review required under subsection (a), including administrative or legislative recommendations.

TITLE LXIII—IMPROVING ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM COMMUNICATION, OVERSIGHT, AND PROCESSES

SEC. 6301. IMPROVED INTERAGENCY COORDINATION AND CONSULTATION.

Section 5318 of title 31, United States Code, as amended by sections 6209 and 6213(a) of this division, is amended by adding at the end the following:

"(q) INTERAGENCY COORDINATION AND CONSULTATION.—

"(1) IN GENERAL.—The Secretary of the Treasury shall, as appropriate, invite an appropriate State bank supervisor and an appropriate State credit union supervisor to participate in the interagency consultation and coordination with the Federal depository institution regulators regarding the development or modification of any rule or regulation carrying out this subchapter.

"(2) RULES OF CONSTRUCTION.—Nothing in this subsection may be construed to—

"(A) affect, modify, or limit the discretion of the Secretary of the Treasury with respect to the methods or forms of interagency consultation and coordination; or

"(B) require the Secretary of the Treasury or a Federal depository institution regulator to coordinate or consult with an appropriate State bank supervisor or to invite such supervisor to participate in interagency consultation and coordination with respect to a matter, including a rule or regulation, specifically affecting only Federal depository institutions or Federal credit unions.

"(3) DEFINITIONS.—In this subsection:

"(A) APPROPRIATE STATE BANK SUPERVISOR.—The term 'appropriate State bank supervisor' means the Chairman or members of the State Liaison Committee of the Financial Institutions Examination Council.

"(B) APPROPRIATE STATE CREDIT UNION SUPERVISOR.—The term 'appropriate State credit union supervisor' means the Chairman or members of the State Liaison Committee of the Financial Institutions Examination Council.

"(C) FEDERAL CREDIT UNION.—The term 'Federal credit union' has the meaning given the term in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

"(D) FEDERAL DEPOSITORY INSTITUTION.—The term 'Federal depository institution' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

"(E) FEDERAL DEPOSITORY INSTITUTION REGULATORS.—The term 'Federal depository institution regulator' means a member of the Financial Institutions Examination Council to which is delegated any authority of the Secretary under subsection (a)(1).".

SEC. 6302. SUBCOMMITTEE ON INFORMATION SECURITY AND CONFIDENTIALITY.

Section 1564 of the Annunzio-Wylie Anti-Money Laundering Act (31 U.S.C. 5311 note), as amended by section 6207 of this division, is amended by adding at the end the following:

"(e) SUBCOMMITTEE ON INFORMATION SECURITY AND CONFIDENTIALITY.—

"(1) IN GENERAL.—There shall be within the Bank Secrecy Act Advisory Group a subcommittee to be known as the Subcommittee on Information Security and Confidentiality (in this

subsection referred to as the 'Subcommittee') to advise the Secretary of the Treasury regarding the information security and confidentiality implications of regulations, guidance, information sharing programs, and the examination for compliance with and enforcement of the provisions of the Bank Secrecy Act.

"(2) MEMBERSHIP.—

"(A) IN GENERAL.—The Subcommittee shall consist of the representatives of the heads of the Federal functional regulators, including, as appropriate, the Bank Secrecy Act Information Security Officers as established in section 6303 of the Anti-Money Laundering Act of 2020, and representatives from financial institutions subject to the Bank Secrecy Act, law enforcement, FinCEN, and any other representatives as determined by the Secretary of the Treasury.

"(B) REQUIREMENTS.—Each agency representative described in subparagraph (A) shall be an individual who has demonstrated knowledge and competence concerning the application of the Bank Secrecy Act and familiarity with and expertise in applicable laws.

"(3) SUNSET.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the Subcommittee shall terminate on the date that is 5 years after the date of enactment of this subsection.

"(B) EXCEPTION.—The Secretary of the Treasury may renew the Subcommittee for 1-year periods beginning on the date that is 5 years after the date of enactment of this subsection.

"(f) DEFINITIONS.—In this section:

"(1) BANK SECRECY ACT.—The term 'Bank Secrecy Act' has the meaning given the term in section 6003 of the Anti-Money Laundering Act of 2020.

"(2) FEDERAL FUNCTIONAL REGULATOR.—The term 'Federal functional regulator' has the meaning given the term in section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809).

"(3) FINCEN.—The term 'FinCEN' means the Financial Crimes Enforcement Network of the Department of the Treasury.

"(4) FINANCIAL INSTITUTION.—The term 'financial institution' has the meaning given the term in section 5312 of title 31, United States Code.

"(5) STATE CREDIT UNION SUPERVISOR.—The term 'State credit union supervisor' means a State official described in section 107A(e) of the Federal Credit Union Act (12 U.S.C. 1757a(e)).".

SEC. 6303. ESTABLISHMENT OF BANK SECRECY ACT INFORMATION SECURITY OFFICERS.

(a) APPOINTMENT OF OFFICERS.—Not later than 1 year after the effective date of the regulations promulgated under subsection (d) of section 310 of title 31, United States Code, as added by section 6103 of this division, a Bank Secrecy Act Information Security Officer shall be appointed, from among individuals with expertise in Federal information security or privacy laws or Bank Secrecy Act disclosure policies and procedures—

(1) within each Federal functional regulator, by the head of the Federal functional regulator;

(2) within FinCEN, by the Director of FinCEN; and

(3) within the Internal Revenue Service, by the Secretary.

(b) DUTIES.—Each Bank Secrecy Act Information Security Officer shall, with respect to the applicable regulator, bureau, or Center within which the Officer is located—

(1) be consulted each time Bank Secrecy Act regulations affecting information security or disclosure of Bank Secrecy Act information are developed or reviewed;

(2) be consulted on information-sharing policies under the Bank Secrecy Act, including those that allow financial institutions to share information with each other and foreign affiliates, and those that allow Federal agencies to share with regulated entities;

(3) be consulted on coordination and clarity between proposed Bank Secrecy Act regulations and information security and confidentiality requirements, including with respect to the reporting of suspicious transactions under section 5318(g) of title 31, United States Code;

(4) be consulted on—

(A) the development of new technologies that may strengthen information security and compliance with the Bank Secrecy Act; and

(B) the protection of information collected by each Federal functional regulator under the Bank Secrecy Act; and

(5) develop metrics of program success.

SEC. 6304. FINCEN ANALYTICAL HUB.

Section 310 of title 31, United States Code, as amended by sections 6103, 6105, 6107, 6108, and 6109 of this division, is amended by inserting after subsection (i) the following:

"(j) ANALYTICAL EXPERTS.—

"(1) IN GENERAL.—FinCEN shall maintain financial experts capable of identifying, tracking, and tracing money laundering and terrorist-financing networks in order to conduct and support civil and criminal anti-money laundering and countering the financing of terrorism investigations conducted by the United States Government.

"(2) FINCEN ANALYTICAL HUB.—FinCEN, upon a reasonable request from a Federal agency, shall, in collaboration with the requesting agency and the appropriate Federal functional regulator, analyze the potential anti-money laundering and countering the financing of terrorism activity that prompted the request.

"(k) DEFINITIONS.—In this section:

"(1) BANK SECRECY ACT.—The term 'Bank Secrecy Act' has the meaning given the term in section 6003 of the Anti-Money Laundering Act of 2020.

"(2) FEDERAL FUNCTIONAL REGULATOR.—The term 'Federal functional regulator' has the meaning given the term in section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809).

"(3) FINANCIAL INSTITUTION.—The term 'financial institution' has the meaning given the term in section 5312 of this title.

"(4) STATE BANK SUPERVISOR.—The term 'State bank supervisor' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

"(5) STATE CREDIT UNION SUPERVISOR.—The term 'State credit union supervisor' means a State official described in section 107A(e) of the Federal Credit Union Act (12 U.S.C. 1757a(e)).".

SEC. 6305. ASSESSMENT OF BANK SECRECY ACT NO-ACTION LETTERS.

(a) ASSESSMENT.—

(1) IN GENERAL.—The Director, in consultation with the Attorney General, the Federal functional regulators, State bank supervisors, State credit union supervisors, and other Federal agencies, as appropriate, shall conduct an assessment on whether to establish a process for the issuance of no-action letters by FinCEN in response to inquiries from persons concerning the application of the Bank Secrecy Act, the USA PATRIOT Act (Public Law 107–56; 115 Stat. 272), section 8(s) of the Federal Deposit Insurance Act (12 U.S.C. 1818(s)), or any other anti-money laundering or countering the financing of terrorism law (including regulations) to specific conduct, including a request for a statement as to whether FinCEN or any relevant Federal functional regulator intends to take an enforcement action against the person with respect to such conduct.

(2) ANALYSIS.—The assessment required under paragraph (1) shall include an analysis of—

(A) a timeline for the process used to reach a final determination by FinCEN, in consultation with the relevant Federal functional regulators, in response to a request by a person for a no-action letter;

(B) whether improvements in current processes are necessary;

(C) whether a formal no-action letter process would help to mitigate or accentuate illicit finance risks in the United States; and

(D) any other matter the Secretary determines is appropriate.

(b) REPORT AND RULEMAKINGS.—Not later than 180 days after the date of enactment of this Act, the Secretary, in coordination with the Director of the Federal Bureau of Investigation, the Attorney General, the Secretary of Homeland Security, and the Federal functional regulators, shall—

(1) submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that contains all findings and determinations made in carrying out the assessment required under subsection (a); and

(2) propose rulemakings, if appropriate, to implement the findings and determinations described in paragraph (1).

SEC. 6306. COOPERATION WITH LAW ENFORCEMENT.

(a) IN GENERAL.—

(1) AMENDMENT TO TITLE 31.—Subchapter II of chapter 53 of title 31, United States Code, is amended by adding at the end the following:

"§ 5333. Safe harbor with respect to keep open directives

"(a) IN GENERAL.—With respect to a customer account or customer transaction of a financial institution, if a Federal law enforcement agency, after notifying FinCEN of the intent to submit a written request to the financial institution that the financial institution keep that account or transaction open (referred to in this section as a 'keep open request'), or if a State, Tribal, or local law enforcement agency with the concurrence of FinCEN submits a keep open request—

"(1) the financial institution shall not be liable under this subchapter for maintaining that account or transaction consistent with the parameters and timing of the request; and

"(2) no Federal or State department or agency may take any adverse supervisory action under this subchapter with respect to the financial institution solely for maintaining that account or transaction consistent with the parameters of the request.

"(b) RULE OF CONSTRUCTION.—Nothing in this section may be construed—

"(1) to prevent a Federal or State department or agency from verifying the validity of a keep open request submitted under subsection (a) with the law enforcement agency submitting that request;

"(2) to relieve a financial institution from complying with any reporting requirements or any other provisions of this subchapter, including the reporting of suspicious transactions under section 5318(g); or

"(3) to extend the safe harbor described in subsection (a) to any actions taken by the financial institution—

"(A) before the date of the keep open request to maintain a customer account; or

"(B) after the termination date stated in the keep open request.

"(c) LETTER TERMINATION DATE.—For the purposes of this section, any keep open request submitted under subsection (a) shall include a termination date after which that request shall no longer apply.

"(d) RECORD KEEPING.—Any Federal, State, Tribal, or local law enforcement agency that submits to a financial institution a keep open request shall, not later than 2 business days after the date on which the request is submitted to the financial institution—

"(1) submit to FinCEN a copy of the request; and

"(2) alert FinCEN as to whether the financial institution has implemented the request.

"(e) GUIDANCE.—The Secretary of the Treasury, in consultation with the Attorney General and Federal, State, Tribal, and local law enforcement agencies, shall issue guidance on the required elements of a keep open request.".

(2) AMENDMENT TO PUBLIC LAW 91–508.—Chapter 2 of title I of Public Law 91–508 (12 U.S.C. 1951 et seq.) is amended by adding at the end the following:

"§ 130. Safe harbor with respect to keep open directives

"(a) DEFINITION.—In this section, the term 'financial institution' means an entity to which section 123(b) applies.

"(b) SAFE HARBOR.—With respect to a customer account or customer transaction of a financial institution, if a Federal law enforcement agency, after notifying FinCEN of the intent to submit a written request to the financial institution that the financial institution keep that account or transaction open (referred to in this section as a 'keep open request'), or if a State, Tribal, or local law enforcement agency with the concurrence of FinCEN submits a keep open request—

"(1) the financial institution shall not be liable under this chapter for maintaining that account or transaction consistent with the parameters and timing of the request; and

"(2) no Federal or State department or agency may take any adverse supervisory action under this chapter with respect to the financial institution solely for maintaining that account or transaction consistent with the parameters of the request.

"(c) RULE OF CONSTRUCTION.—Nothing in this section may be construed—

"(1) to prevent a Federal or State department or agency from verifying the validity of a keep open request submitted under subsection (b) with the law enforcement agency submitting that request;

"(2) to relieve a financial institution from complying with any reporting requirements, including the reporting of suspicious transactions under section 5318(g) of title 31, United States Code; or

"(3) to extend the safe harbor described in subsection (b) to any actions taken by the financial institution—

"(A) before the date of the keep open request to maintain a customer account; or

"(B) after the termination date stated in the keep open request.

"(d) LETTER TERMINATION DATE.—For the purposes of this section, any keep open request submitted under subsection (b) shall include a termination date after which that request shall no longer apply.

"(e) RECORD KEEPING.—Any Federal, State, Tribal, or local law enforcement agency that submits to a financial institution a keep open request shall, not later than 2 business days after the date on which the request is submitted to the financial institution—

"(1) submit to FinCEN a copy of the request; and

"(2) alert FinCEN as to whether the financial institution has implemented the request.".

(b) CLERICAL AMENDMENTS.—

(1) TITLE 31.—The table of sections for chapter 53 of title 31, United States Code, is amended by inserting after the item relating to section 5332 the following:

"5333. Safe harbor with respect to keep open directives.".

(2) PUBLIC LAW 91–508.—The table of sections for chapter 2 of title I of Public Law 91–508 (12 U.S.C. 1951 et seq.) is amended by adding at the end the following:

"130. Safe harbor with respect to keep open directives.".

SEC. 6307. TRAINING FOR EXAMINERS ON ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM.

(a) IN GENERAL.—Subchapter II of chapter 53 of title 31, United States Code, as amended by section 6306(a)(1) of this division, is amended by adding at the end the following:

"§ 5334. Training regarding anti-money laundering and countering the financing of terrorism

"(a) TRAINING REQUIREMENT.—Each Federal examiner reviewing compliance with the Bank Secrecy Act, as defined in section 6003 of the Anti-Money Laundering Act of 2020, shall attend appropriate annual training, as determined by the Secretary of the Treasury, relating to anti-money laundering activities and countering the financing of terrorism, including with respect to—

"(1) potential risk profiles and warning signs that an examiner may encounter during examinations;

"(2) financial crime patterns and trends;

"(3) the high-level context for why anti-money laundering and countering the financing of terrorism programs are necessary for law enforcement agencies and other national security agencies and what risks those programs seek to mitigate; and

"(4) de-risking and the effect of de-risking on the provision of financial services.

"(b) TRAINING MATERIALS AND STANDARDS.—The Secretary of the Treasury shall, in consultation with the Financial Institutions Examination Council, the Financial Crimes Enforcement Network, and Federal, State, Tribal, and local law enforcement agencies, establish appropriate training materials and standards for use in the training required under subsection (a).".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 53 of title 31, United States Code, as amended by section 6306(b)(1) of this division, is amended by adding at the end the following:

"5334. Training regarding anti-money laundering and countering the financing of terrorism.".

SEC. 6308. OBTAINING FOREIGN BANK RECORDS FROM BANKS WITH UNITED STATES CORRESPONDENT ACCOUNTS.

(a) GRAND JURY AND TRIAL SUBPOENAS.—Section 5318(k) of title 31, United States Code, is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraph (B) as subparagraph (C); and

(B) by inserting after subparagraph (A) the following:

"(B) COVERED FINANCIAL INSTITUTION.—The term 'covered financial institution' means an institution referred to in subsection (j)(1).''; and

(2) by striking paragraph (3) and inserting the following:

"(3) FOREIGN BANK RECORDS.—

"(A) SUBPOENA OF RECORDS.—

"(i) IN GENERAL.—Notwithstanding subsection (b), the Secretary of the Treasury or the Attorney General may issue a subpoena to any foreign bank that maintains a correspondent account in the United States and request any records relating to the correspondent account or any account at the foreign bank, including records maintained outside of the United States, that are the subject of—

"(I) any investigation of a violation of a criminal law of the United States;

"(II) any investigation of a violation of this subchapter;

"(III) a civil forfeiture action; or

"(IV) an investigation pursuant to section 5318A.

"(ii) PRODUCTION OF RECORDS.—The foreign bank on which a subpoena described in clause (i) is served shall produce all requested records and authenticate all requested records with testimony in the manner described in—

"(I) rule 902(12) of the Federal Rules of Evidence; or

"(II) section 3505 of title 18.

"(iii) ISSUANCE AND SERVICE OF SUBPOENA.—A subpoena described in clause (i)—

"(I) shall designate—

"(aa) a return date; and

"(bb) the judicial district in which the related investigation is proceeding; and

"(II) may be served—

"(aa) in person;

"(bb) by mail or fax in the United States if the foreign bank has a representative in the United States; or

"(cc) if applicable, in a foreign country under any mutual legal assistance treaty, multilateral agreement, or other request for international legal or law enforcement assistance.

"(iv) RELIEF FROM SUBPOENA.—

"(I) IN GENERAL.—At any time before the return date of a subpoena described in clause (i), the foreign bank on which the subpoena is served may petition the district court of the United States for the judicial district in which the related investigation is proceeding, as designated in the subpoena, to modify or quash—

"(aa) the subpoena; or

"(bb) the prohibition against disclosure described in subparagraph (C).

"(II) CONFLICT WITH FOREIGN SECRECY OR CONFIDENTIALITY.—An assertion that compliance with a subpoena described in clause (i) would conflict with a provision of foreign secrecy or confidentiality law shall not be a sole basis for quashing or modifying the subpoena.

"(B) ACCEPTANCE OF SERVICE.—

"(i) MAINTAINING RECORDS IN THE UNITED STATES.—Any covered financial institution that maintains a correspondent account in the United States for a foreign bank shall maintain records in the United States identifying—

"(I) the owners of record and the beneficial owners of the foreign bank; and

"(II) the name and address of a person who—

"(aa) resides in the United States; and

"(bb) is authorized to accept service of legal process for records covered under this subsection.

"(ii) LAW ENFORCEMENT REQUEST.—Upon receipt of a written request from a Federal law enforcement officer for information required to be maintained under this paragraph, a covered financial institution shall provide the information to the requesting officer not later than 7 days after receipt of the request.

"(C) NONDISCLOSURE OF SUBPOENA.—

"(i) IN GENERAL.—No officer, director, partner, employee, or shareholder of, or agent or attorney for, a foreign bank on which a subpoena is served under this paragraph shall, directly or indirectly, notify any account holder involved or any person named in the subpoena issued under subparagraph (A)(i) and served on the foreign bank about the existence or contents of the subpoena.

"(ii) DAMAGES.—Upon application by the Attorney General for a violation of this subparagraph, a foreign bank on which a subpoena is served under this paragraph shall be liable to the United States Government for a civil penalty in an amount equal to—

"(I) double the amount of the suspected criminal proceeds sent through the correspondent account of the foreign bank in the related investigation; or

"(II) if no such proceeds can be identified, not more than $250,000.

"(D) ENFORCEMENT.—

"(i) IN GENERAL.—If a foreign bank fails to obey a subpoena issued under subparagraph (A)(i), the Attorney General may invoke the aid of the district court of the United States for the judicial district in which the investigation or related proceeding is occurring to compel compliance with the subpoena.

"(ii) COURT ORDERS AND CONTEMPT OF COURT.—A court described in clause (i) may—

"(I) issue an order requiring the foreign bank to appear before the Secretary of the Treasury or the Attorney General to produce—

"(aa) certified records, in accordance with—

"(AA) rule 902(12) of the Federal Rules of Evidence; or

"(BB) section 3505 of title 18; or

"(bb) testimony regarding the production of the certified records; and

"(II) punish any failure to obey an order issued under subclause (I) as contempt of court.

"(iii) SERVICE OF PROCESS.—All process in a case under this subparagraph shall be served on the foreign bank in the same manner as described in subparagraph (A)(iii).

"(E) TERMINATION OF CORRESPONDENT RELATIONSHIP.—

"(i) TERMINATION UPON RECEIPT OF NOTICE.—A covered financial institution shall terminate any correspondent relationship with a foreign bank not later than 10 business days after the date on which the covered financial institution receives written notice from the Secretary of the Treasury or the Attorney General if, after consultation with the other, the Secretary of the Treasury or the Attorney General, as applicable, determines that the foreign bank has failed—

"(I) to comply with a subpoena issued under subparagraph (A)(i); or

"(II) to prevail in proceedings before—

"(aa) the appropriate district court of the United States after challenging a subpoena described in subclause (I) under subparagraph (A)(iv)(I); or

"(bb) a court of appeals of the United States after appealing a decision of a district court of the United States under item (aa).

"(ii) LIMITATION ON LIABILITY.—A covered financial institution shall not be liable to any person in any court or arbitration proceeding for—

"(I) terminating a correspondent relationship under this subparagraph; or

"(II) complying with a nondisclosure order under subparagraph (C).

"(iii) FAILURE TO TERMINATE RELATIONSHIP OR FAILURE TO COMPLY WITH A SUBPOENA.—

"(I) FAILURE TO TERMINATE RELATIONSHIP.—A covered financial institution that fails to terminate a correspondent relationship under clause (i) shall be liable for a civil penalty in an amount that is not more than $25,000 for each day that the covered financial institution fails to terminate the relationship.

"(II) FAILURE TO COMPLY WITH A SUBPOENA.—

"(aa) IN GENERAL.—Upon failure to comply with a subpoena under subparagraph (A)(i), a foreign bank may be liable for a civil penalty assessed by the issuing agency in an amount that is not more than $50,000 for each day that the foreign bank fails to comply with the terms of a subpoena.

"(bb) ADDITIONAL PENALTIES.—Beginning after the date that is 60 days after a foreign bank fails to comply with a subpoena under subparagraph (A)(i), the Secretary of the Treasury or the Attorney General may seek additional penalties and compel compliance with the subpoena in the appropriate district court of the United States.

"(cc) VENUE FOR RELIEF.—A foreign bank may seek review in the appropriate district court of the United States of any penalty assessed under this clause and the issuance of a subpoena under subparagraph (A)(i).

"(F) ENFORCEMENT OF CIVIL PENALTIES.—Upon application by the United States, any funds held in the correspondent account of a foreign bank that is maintained in the United States with a covered financial institution may be seized by the United States to satisfy any civil penalties that are imposed—

"(i) under subparagraph (C)(ii);

"(ii) by a court for contempt under subparagraph (D); or

"(iii) under subparagraph (E)(iii)(II).".

(b) FAIR CREDIT REPORTING ACT AMENDMENT.—Section 604(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681b(a)(1)) is amended—

(1) by striking ", or a" and inserting ", a"; and

(2) by inserting ", or a subpoena issued in accordance with section 5318 of title 31, United States Code, or section 3486 of title 18, United States Code" after "grand jury".

(c) OBSTRUCTION OF JUSTICE.—Section 1510(b)(3)(B) of title 18, United States Code, is amended—

(1) in the matter preceding clause (i), by striking "or a Department of Justice subpoena (issued under section 3486 of title 18)" and inserting ", a subpoena issued under section 3486 of this title, or an order or subpoena issued in accordance with section 3512 of this title, section 5318 of title 31, or section 1782 of title 28"; and

(2) in clause (i), by inserting ", 1960, an offense against a foreign nation constituting specified unlawful activity under section 1956, a foreign offense for which enforcement of a foreign forfeiture judgment could be brought under section 2467 of title 28" after "1957".

(d) RIGHT TO FINANCIAL PRIVACY ACT.—Section 1120(b)(1)(A) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3420(b)(1)(A)) is amended—

(1) by striking "or 1957 of title 18" and inserting ", 1957, or 1960 of title 18, United States Code"; and

(2) by striking "and 5324 of title 31" and inserting ", 5322, 5324, 5331, and 5332 of title 31, United States Code".

SEC. 6309. ADDITIONAL DAMAGES FOR REPEAT BANK SECRECY ACT VIOLATORS.

Section 5321 of title 31, United States Code, is amended by adding at the end the following:

"(f) ADDITIONAL DAMAGES FOR REPEAT VIOLATORS.—

"(1) IN GENERAL.—In addition to any other fines permitted under this section and section 5322, with respect to a person who has previously violated a provision of (or rule issued under) this subchapter, section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b), or section 123 of Public Law 91–508 (12 U.S.C. 1953), the Secretary of the Treasury, if practicable, may impose an additional civil penalty against such person for each additional such violation in an amount that is not more than the greater of—

"(A) if practicable to calculate, 3 times the profit gained or loss avoided by such person as a result of the violation; or

"(B) 2 times the maximum penalty with respect to the violation.

"(2) APPLICATION.—For purposes of determining whether a person has committed a previous violation under paragraph (1), the determination shall only include violations occurring after the date of enactment of the Anti-Money Laundering Act of 2020.".

SEC. 6310. CERTAIN VIOLATORS BARRED FROM SERVING ON BOARDS OF UNITED STATES FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Section 5321 of title 31, United States Code, as amended by section 6309 of this division, is amended by adding at the end the following:

"(g) CERTAIN VIOLATORS BARRED FROM SERVING ON BOARDS OF UNITED STATES FINANCIAL INSTITUTIONS.—

"(1) DEFINITION.—In this subsection, the term 'egregious violation' means, with respect to an individual—

"(A) a criminal violation—

"(i) for which the individual is convicted; and

"(ii) for which the maximum term of imprisonment is more than 1 year; and

"(B) a civil violation in which—

"(i) the individual willfully committed the violation; and

"(ii) the violation facilitated money laundering or the financing of terrorism.

"(2) BAR.—An individual found to have committed an egregious violation of the Bank Secrecy Act, as defined in section 6003 of the Anti-Money Laundering Act of 2020, or any rules issued under the Bank Secrecy Act, shall be barred from serving on the board of directors of a United States financial institution during the 10-year period that begins on the date on which the conviction or judgment, as applicable, with respect to the egregious violation is entered.".

(b) RULE OF CONSTRUCTION.—Nothing in the amendment made by subsection (a) shall be construed to limit the application of section 19 of the Federal Deposit Insurance Act (12 U.S.C. 1829).

SEC. 6311. DEPARTMENT OF JUSTICE REPORT ON DEFERRED AND NON-PROSECUTION AGREEMENTS.

(a) ANNUAL REPORT.—Not later than 1 year after the date of enactment of this Act, and for each of the 4 years thereafter, the Attorney General shall submit to the appropriate committees of Congress a report that contains—

(1) a list of deferred prosecution agreements and non-prosecution agreements that the Attorney General has entered into, amended, or terminated during the year covered by the report with any person with respect to a violation or suspected violation of the Bank Secrecy Act (referred to in this subsection as "covered agreements");

(2) the justification for entering into, amending, or terminating each covered agreement;

(3) the list of factors that were taken into account in determining that the Attorney General should enter into, amend, or terminate each covered agreement; and

(4) the extent of coordination the Attorney General conducted with the Secretary of the Treasury, Federal functional regulators, or State regulators before entering into, amending, or terminating each covered agreement.

(b) CLASSIFIED ANNEX.—Each report submitted under subsection (a) may include a classified annex.

(c) DEFINITION.—In this section, the term "appropriate committees of Congress" means—

(1) the Committee on Banking, Housing, and Urban Affairs of the Senate;

(2) the Committee on the Judiciary of the Senate;

(3) the Committee on Financial Services of the House of Representatives; and

(4) the Committee on the Judiciary of the House of Representatives.

SEC. 6312. RETURN OF PROFITS AND BONUSES.

(a) IN GENERAL.—Section 5322 of title 31, United States Code, is amended by adding at the end the following:

"(e) A person convicted of violating a provision of (or rule issued under) the Bank Secrecy Act, as defined in section 6003 of the Anti-Money Laundering Act of 2020, shall—

"(1) in addition to any other fine under this section, be fined in an amount that is equal to the profit gained by such person by reason of such violation, as determined by the court; and

"(2) if the person is an individual who was a partner, director, officer, or employee of a financial institution at the time the violation occurred, repay to such financial institution any bonus paid to the individual during the calendar year in which the violation occurred or the calendar year after which the violation occurred.".

(b) RULE OF CONSTRUCTION.—The amendment made by subsection (a) may not be construed to prohibit a financial institution from requiring the repayment of a bonus paid to a partner, director, officer, or employee if the financial institution determines that the partner, director, officer, or employee engaged in unethical, but non-criminal, activities.

SEC. 6313. PROHIBITION ON CONCEALMENT OF THE SOURCE OF ASSETS IN MONETARY TRANSACTIONS.

(a) IN GENERAL.—Subchapter II of chapter 53 of title 31, United States Code, as amended by sections 6306(a)(1) and 6307(a) of this division, is amended by adding at the end the following:

"§ 5335. Prohibition on concealment of the source of assets in monetary transactions

"(a) DEFINITION OF MONETARY TRANSACTION.—In this section, the term the term 'monetary transaction'—

"(1) means the deposit, withdrawal, transfer, or exchange, in or affecting interstate or foreign commerce, of funds or a monetary instrument (as defined in section 1956(c)(5) of title 18) by, through, or to a financial institution (as defined in section 1956(c)(6) of title 18);

"(2) includes any transaction that would be a financial transaction under section 1956(c)(4)(B) of title 18; and

"(3) does not include any transaction necessary to preserve the right to representation of a person as guaranteed by the Sixth Amendment to the Constitution of the United States.

"(b) PROHIBITION.—No person shall knowingly conceal, falsify, or misrepresent, or attempt to conceal, falsify, or misrepresent, from or to a financial institution, a material fact concerning the

ownership or control of assets involved in a monetary transaction if—

"(1) the person or entity who owns or controls the assets is a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure, as set forth in this title or the regulations promulgated under this title; and

"(2) the aggregate value of the assets involved in 1 or more monetary transactions is not less than $1,000,000.

"(c) SOURCE OF FUNDS.—No person shall knowingly conceal, falsify, or misrepresent, or attempt to conceal, falsify, or misrepresent, from or to a financial institution, a material fact concerning the source of funds in a monetary transaction that—

"(1) involves an entity found to be a primary money laundering concern under section 5318A or the regulations promulgated under this title; and

"(2) violates the prohibitions or conditions prescribed under section 5318A(b)(5) or the regulations promulgated under this title.

"(d) PENALTIES.—A person convicted of an offense under subsection (b) or (c), or a conspiracy to commit an offense under subsection (b) or (c), shall be imprisoned for not more than 10 years, fined not more than $1,000,000, or both.

"(e) FORFEITURE.—

"(1) CRIMINAL FORFEITURE.—

"(A) IN GENERAL.—The court, in imposing a sentence under subsection (d), shall order that the defendant forfeit to the United States any property involved in the offense and any property traceable thereto.

"(B) PROCEDURE.—The seizure, restraint, and forfeiture of property under this paragraph shall be governed by section 413 of the Controlled Substances Act (21 U.S.C. 853).

"(2) CIVIL FORFEITURE.—

"(A) IN GENERAL.—Any property involved in a violation of subsection (b) or (c), or a conspiracy to commit a violation of subsection (b) or (c), and any property traceable thereto may be seized and forfeited to the United States.

"(B) PROCEDURE.—Seizures and forfeitures under this paragraph shall be governed by the provisions of chapter 46 of title 18 relating to civil forfeitures, except that such duties, under the customs laws described in section 981(d) of title 18, given to the Secretary of the Treasury shall be performed by such officers, agents, and other persons as may be designated for that purpose by the Secretary of Homeland Security or the Attorney General.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 53 of title 31, United States Code, as amended by sections 6306(b)(1) and 6307(b) of this division, is amended by adding at the end the following:

"5335. Prohibition on concealment of the source of assets in monetary transactions.".

SEC. 6314. UPDATING WHISTLEBLOWER INCENTIVES AND PROTECTION.

(a) WHISTLEBLOWER INCENTIVES AND PROTECTION.—Section 5323 of title 31, United States Code, is amended to read as follows:

"§ 5323. Whistleblower incentives and protections

"(a) DEFINITIONS.—In this section:

"(1) COVERED JUDICIAL OR ADMINISTRATIVE ACTION.—The term 'covered judicial or administrative action' means any judicial or administrative action brought by the Secretary of the Treasury (referred to in this section as the 'Secretary') or the Attorney General under this subchapter or subchapter III that results in monetary sanctions exceeding $1,000,000.

"(2) MONETARY SANCTIONS.—The term 'monetary sanctions', when used with respect to any judicial or administrative action—

"(A) means any monies, including penalties, disgorgement, and interest, ordered to be paid; and

"(B) does not include—

"(i) forfeiture;

"(ii) restitution; or

"(iii) any victim compensation payment.

"(3) ORIGINAL INFORMATION.—The term 'original information' means information that—

"(A) is derived from the independent knowledge or analysis of a whistleblower;

"(B) is not known to the Secretary or the Attorney General from any other source, unless the whistleblower is the original source of the information; and

"(C) is not exclusively derived from an allegation made in a judicial or administrative hearing, in a governmental report, hearing, audit, or investigation, or from the news media, unless the whistleblower is a source of the information.

"(4) RELATED ACTION.—The term 'related action', when used with respect to any judicial or administrative action brought by the Secretary or the Attorney General under this subchapter or subchapter III, means any judicial or administrative action brought by an entity described in any of subclauses (I) through (III) of subsection (g)(4)(D)(i) that is based upon the original information provided by a whistleblower pursuant to subsection (b) that led to the successful enforcement of the action by the Secretary or the Attorney General.

"(5) WHISTLEBLOWER.—

"(A) IN GENERAL.—The term 'whistleblower' means any individual who provides, or 2 or more individuals acting jointly who provide, information relating to a violation of this subchapter or subchapter III to the employer of the individual or individuals, including as part of the job duties of the individual or individuals, or to the Secretary or the Attorney General.

"(B) SPECIAL RULE.—Solely for the purposes of subsection (g)(1), the term 'whistleblower' includes any individual who takes, or 2 or more individuals acting jointly who take, an action described in subsection (g)(1)(A).

"(b) AWARDS.—

"(1) IN GENERAL.—In any covered judicial or administrative action, or related action, the Secretary, under regulations prescribed by the Secretary, in consultation with the Attorney General and subject to subsection (c) and to amounts made available in advance by appropriation Acts, shall pay an award or awards to 1 or more whistleblowers who voluntarily provided

original information to the employer of the individual, the Secretary, or the Attorney General, as applicable, that led to the successful enforcement of the covered judicial or administrative action, or related action, in an aggregate amount equal to not more than 30 percent, in total, of what has been collected of the monetary sanctions imposed in the action or related actions.

"(2) SOURCE OF AWARDS.—For the purposes of paying any award under this section, the Secretary may, subject to amounts made available in advance by appropriation Acts, use monetary sanction amounts recovered based on the original information with respect to which the award is being paid.

"(c) DETERMINATION OF AMOUNT OF AWARD; DENIAL OF AWARD.—

"(1) DETERMINATION OF AMOUNT OF AWARD.—

"(A) DISCRETION.—The determination of the amount of an award made under subsection (b) shall be in the discretion of the Secretary.

"(B) CRITERIA.—In determining the amount of an award made under subsection (b), the Secretary shall take into consideration—

"(i) the significance of the information provided by the whistleblower to the success of the covered judicial or administrative action;

"(ii) the degree of assistance provided by the whistleblower and any legal representative of the whistleblower in a covered judicial or administrative action;

"(iii) the programmatic interest of the Department of the Treasury in deterring violations of this subchapter and subchapter III by making awards to whistleblowers who provide information that lead to the successful enforcement of either such subchapter; and

"(iv) such additional relevant factors as the Secretary, in consultation with the Attorney General, may establish by rule or regulation.

"(2) DENIAL OF AWARD.—No award under subsection (b) may be made—

"(A) to any whistleblower who is, or was at the time the whistleblower acquired the original information submitted to the Secretary or the Attorney General, as applicable, a member, officer, or employee—

"(i) of—

"(I) an appropriate regulatory or banking agency;

"(II) the Department of the Treasury or the Department of Justice; or

"(III) a law enforcement agency; and

"(ii) acting in the normal course of the job duties of the whistleblower;

"(B) to any whistleblower who is convicted of a criminal violation related to the judicial or administrative action for which the whistleblower otherwise could receive an award under this section; or

"(C) to any whistleblower who fails to submit information to the Secretary or the Attorney General, as applicable,

in such form as the Secretary, in consultation with the Attorney General, may, by rule, require.

"(d) REPRESENTATION.—

"(1) PERMITTED REPRESENTATION.—Any whistleblower who makes a claim for an award under subsection (b) may be represented by counsel.

"(2) REQUIRED REPRESENTATION.—

"(A) IN GENERAL.—Any whistleblower who anonymously makes a claim for an award under subsection (b) shall be represented by counsel if the whistleblower anonymously submits the information upon which the claim is based.

"(B) DISCLOSURE OF IDENTITY.—Before the payment of an award, a whistleblower shall disclose the identity of the whistleblower and provide such other information as the Secretary may require, directly or through counsel for the whistleblower.

"(e) NO CONTRACT NECESSARY.—No contract with the Department of the Treasury is necessary for any whistleblower to receive an award under subsection (b), unless otherwise required by the Secretary by rule or regulation.

"(f) APPEALS.—

"(1) IN GENERAL.—Any determination made under this section, including whether, to whom, or in what amount to make awards, shall be in the discretion of the Secretary.

"(2) REQUIREMENTS.—

"(A) IN GENERAL.—Any determination described in paragraph (1), except the determination of the amount of an award if the award was made in accordance with subsection (b), may be appealed to the appropriate court of appeals of the United States not more than 30 days after the determination is issued by the Secretary.

"(B) SCOPE OF REVIEW.—The court to which a determination by the Secretary is appealed under subparagraph (A) shall review the determination in accordance with section 706 of title 5.

"(g) PROTECTION OF WHISTLEBLOWERS.—

"(1) PROHIBITION AGAINST RETALIATION.—No employer may, directly or indirectly, discharge, demote, suspend, threaten, blacklist, harass, or in any other manner discriminate against a whistleblower in the terms and conditions of employment or post-employment because of any lawful act done by the whistleblower—

"(A) in providing information in accordance with this section to—

"(i) the Secretary or the Attorney General;

"(ii) a Federal regulatory or law enforcement agency;

"(iii) any Member of Congress or any committee of Congress; or

"(iv) a person with supervisory authority over the whistleblower, or such other person working for the employer who has the authority to investigate, discover, or terminate misconduct; or

"(B) in initiating, testifying in, or assisting in any investigation or judicial or administrative action of the Department of the Treasury or the Department of Justice

based upon or related to the information described in subparagraph (A); or

"(C) in providing information regarding any conduct that the whistleblower reasonably believes constitutes a violation of any law, rule, or regulation subject to the jurisdiction of the Department of the Treasury, or a violation of section 1956, 1957, or 1960 of title 18 (or any rule or regulation under any such provision), to—

"(i) a person with supervisory authority over the whistleblower at the employer of the whistleblower; or

"(ii) another individual working for the employer described in clause (i) who the whistleblower reasonably believes has the authority to—

"(I) investigate, discover, or terminate the misconduct; or

"(II) take any other action to address the misconduct.

"(2) ENFORCEMENT.—Any individual who alleges discharge or other discrimination, or is otherwise aggrieved by an employer, in violation of paragraph (1), may seek relief by—

"(A) filing a complaint with the Secretary of Labor in accordance with the requirements of this subsection; or

"(B) if the Secretary of Labor has not issued a final decision within 180 days of the filing of a complaint under subparagraph (A), and there is no showing that such a delay is due to the bad faith of the claimant, bringing an action against the employer at law or in equity in the appropriate district court of the United States, which shall have jurisdiction over such an action without regard to the amount in controversy.

"(3) PROCEDURE.—

"(A) DEPARTMENT OF LABOR COMPLAINT.—

"(i) IN GENERAL.—Except as provided in clause (ii) and subparagraph (C), the requirements under section 42121(b) of title 49, including the legal burdens of proof described in such section 42121(b), shall apply with respect to a complaint filed under paragraph (2)(A) by an individual against an employer.

"(ii) EXCEPTION.—With respect to a complaint filed under paragraph (2)(A), notification required to be made under section 42121(b)(1) of title 49 shall be made to each person named in the complaint, including the employer.

"(B) DISTRICT COURT COMPLAINT.—

"(i) JURY TRIAL.—A party to an action brought under paragraph (2)(B) shall be entitled to trial by jury.

"(ii) STATUTE OF LIMITATIONS.—

"(I) IN GENERAL.—An action may not be brought under paragraph (2)(B)—

"(aa) more than 6 years after the date on which the violation of paragraph (1) occurs; or

"(bb) more than 3 years after the date on which when facts material to the right

of action are known, or reasonably should have been known, by the employee alleging a violation of paragraph (1).

"(II) REQUIRED ACTION WITHIN 10 YEARS.—Notwithstanding subclause (I), an action under paragraph (2)(B) may not in any circumstance be brought more than 10 years after the date on which the violation occurs.

"(C) RELIEF.—Relief for an individual prevailing with respect to a complaint filed under subparagraph (A) of paragraph (2) or an action brought under subparagraph (B) of that paragraph shall include—

"(i) reinstatement with the same seniority status that the individual would have had, but for the conduct that is the subject of the complaint or action, as applicable;

"(ii) 2 times the amount of back pay otherwise owed to the individual, with interest;

"(iii) the payment of compensatory damages, which shall include compensation for litigation costs, expert witness fees, and reasonable attorneys' fees; and

"(iv) any other appropriate remedy with respect to the conduct that is the subject of the complaint or action, as applicable.

"(4) CONFIDENTIALITY.—

"(A) IN GENERAL.—Except as provided in subparagraphs (C) and (D), the Secretary or the Attorney General, as applicable, and any officer or employee of the Department of the Treasury or the Department of Justice, shall not disclose any information, including information provided by a whistleblower to either such official, which could reasonably be expected to reveal the identity of a whistleblower, except in accordance with the provisions of section 552a of title 5, unless and until required to be disclosed to a defendant or respondent in connection with a public proceeding instituted by the appropriate such official or any entity described in subparagraph (D).

"(B) EXEMPTED STATUTE.—For purposes of section 552 of title 5, this paragraph shall be considered a statute described in subsection (b)(3)(B) of such section 552.

"(C) RULE OF CONSTRUCTION.—Nothing in this section is intended to limit, or shall be construed to limit, the ability of the Attorney General to present such evidence to a grand jury or to share such evidence with potential witnesses or defendants in the course of an ongoing criminal investigation.

"(D) AVAILABILITY TO GOVERNMENT AGENCIES.—

"(i) IN GENERAL.—Without the loss of its status as confidential in the hands of the Secretary or the Attorney General, as applicable, all information referred to in subparagraph (A) may, in the discretion of the appropriate such official, when determined by that official to be necessary to accomplish the purposes of this subchapter, be made available to—

"(I) any appropriate Federal authority;

"(II) a State attorney general in connection with any criminal investigation;

"(III) any appropriate State regulatory authority; and

"(IV) a foreign law enforcement authority.

"(ii) CONFIDENTIALITY.—

"(I) IN GENERAL.—Each of the entities described in subclauses (I) through (III) of clause (i) shall maintain such information as confidential in accordance with the requirements established under subparagraph (A).

"(II) FOREIGN AUTHORITIES.—Each entity described in clause (i)(IV) shall maintain such information in accordance with such assurances of confidentiality as determined by the Secretary or Attorney General, as applicable.

"(5) RIGHTS RETAINED.—Nothing in this section shall be deemed to diminish the rights, privileges, or remedies of any whistleblower under any Federal or State law or under any collective bargaining agreement.

"(6) COORDINATION WITH OTHER PROVISIONS OF LAW.—This subsection shall not apply with respect to any employer that is subject to section 33 of the Federal Deposit Insurance Act (12 U.S.C. 1831j) or section 213 or 214 of the Federal Credit Union Act (12 U.S.C. 1790b, 1790c).

"(h) PROVISION OF FALSE INFORMATION.—A whistleblower shall not be entitled to an award under this section if the whistleblower—

"(1) knowingly and willfully makes any false, fictitious, or fraudulent statement or representation; or

"(2) uses any false writing or document knowing the writing or document contains any false, fictitious, or fraudulent statement or entry.

"(i) RULEMAKING AUTHORITY.—The Secretary, in consultation with the Attorney General, shall have the authority to issue such rules and regulations as may be necessary or appropriate to implement the provisions of this section consistent with the purposes of this section.

"(j) NONENFORCEABILITY OF CERTAIN PROVISIONS WAIVING RIGHTS AND REMEDIES OR REQUIRING ARBITRATION OF DISPUTES.—

"(1) WAIVER OF RIGHTS AND REMEDIES.—The rights and remedies provided for in this section may not be waived by any agreement, policy form, or condition of employment, including by a predispute arbitration agreement.

"(2) PREDISPUTE ARBITRATION AGREEMENTS.—No predispute arbitration agreement shall be valid or enforceable, to the extent the agreement requires arbitration of a dispute arising under this section.".

(b) REPEAL OF SECTION 5328 OF TITLE 31.—Section 5328 of title 31, United States Code, is repealed.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—The table of sections for subchapter II of chapter 53 of title 31, United States Code, is amended—

(1) by striking the item relating to section 5323 and inserting the following:

"5323. Whistleblower incentives and protections."; and

(2) by striking the item relating to section 5328.

TITLE LXIV—ESTABLISHING BENEFICIAL OWNERSHIP INFORMATION REPORTING REQUIREMENTS

SEC. 6401. SHORT TITLE.

This title may be cited as the "Corporate Transparency Act".

SEC. 6402. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) more than 2,000,000 corporations and limited liability companies are being formed under the laws of the States each year;

(2) most or all States do not require information about the beneficial owners of the corporations, limited liability companies, or other similar entities formed under the laws of the State;

(3) malign actors seek to conceal their ownership of corporations, limited liability companies, or other similar entities in the United States to facilitate illicit activity, including money laundering, the financing of terrorism, proliferation financing, serious tax fraud, human and drug trafficking, counterfeiting, piracy, securities fraud, financial fraud, and acts of foreign corruption, harming the national security interests of the United States and allies of the United States;

(4) money launderers and others involved in commercial activity intentionally conduct transactions through corporate structures in order to evade detection, and may layer such structures, much like Russian nesting "Matryoshka" dolls, across various secretive jurisdictions such that each time an investigator obtains ownership records for a domestic or foreign entity, the newly identified entity is yet another corporate entity, necessitating a repeat of the same process;

(5) Federal legislation providing for the collection of beneficial ownership information for corporations, limited liability companies, or other similar entities formed under the laws of the States is needed to—

(A) set a clear, Federal standard for incorporation practices;

(B) protect vital Unites States national security interests;

(C) protect interstate and foreign commerce;

(D) better enable critical national security, intelligence, and law enforcement efforts to counter money laundering, the financing of terrorism, and other illicit activity; and

(E) bring the United States into compliance with international anti-money laundering and countering the financing of terrorism standards;

(6) beneficial ownership information collected under the amendments made by this title is sensitive information and will be directly available only to authorized government authorities, subject to effective safeguards and controls, to—

(A) facilitate important national security, intelligence, and law enforcement activities; and

(B) confirm beneficial ownership information provided to financial institutions to facilitate the compliance of the financial institutions with anti-money laundering, countering the financing of terrorism, and customer due diligence requirements under applicable law;

(7) consistent with applicable law, the Secretary of the Treasury shall—

(A) maintain the information described in paragraph (1) in a secure, nonpublic database, using information security methods and techniques that are appropriate to protect nonclassified information systems at the highest security level; and

(B) take all steps, including regular auditing, to ensure that government authorities accessing beneficial ownership information do so only for authorized purposes consistent with this title; and

(8) in prescribing regulations to provide for the reporting of beneficial ownership information, the Secretary shall, to the greatest extent practicable consistent with the purposes of this title—

(A) seek to minimize burdens on reporting companies associated with the collection of beneficial ownership information;

(B) provide clarity to reporting companies concerning the identification of their beneficial owners; and

(C) collect information in a form and manner that is reasonably designed to generate a database that is highly useful to national security, intelligence, and law enforcement agencies and Federal functional regulators.

SEC. 6403. BENEFICIAL OWNERSHIP INFORMATION REPORTING REQUIREMENTS.

(a) IN GENERAL.—Subchapter II of chapter 53 of title 31, United States Code, as amended by sections 6306(a)(1), 6307(a), and 6313(a) of this division, is amended by adding at the end the following:

"§ 5336. Beneficial ownership information reporting requirements

"(a) DEFINITIONS.—In this section:

"(1) ACCEPTABLE IDENTIFICATION DOCUMENT.—The term 'acceptable identification document' means, with respect to an individual—

"(A) a nonexpired passport issued by the United States;

"(B) a nonexpired identification document issued by a State, local government, or Indian Tribe to the individual acting for the purpose of identification of that individual;

"(C) a nonexpired driver's license issued by a State; or

"(D) if the individual does not have a document described in subparagraph (A), (B), or (C), a nonexpired passport issued by a foreign government.

"(2) APPLICANT.—The term 'applicant' means any individual who—

"(A) files an application to form a corporation, limited liability company, or other similar entity under the laws of a State or Indian Tribe; or

"(B) registers or files an application to register a corporation, limited liability company, or other similar entity formed under the laws of a foreign country to do business in the United States by filing a document with the secretary of state or similar office under the laws of a State or Indian Tribe.

"(3) BENEFICIAL OWNER.—The term 'beneficial owner'—

"(A) means, with respect to an entity, an individual who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise—

"(i) exercises substantial control over the entity; or

"(ii) owns or controls not less than 25 percent of the ownership interests of the entity; and

"(B) does not include—

"(i) a minor child, as defined in the State in which the entity is formed, if the information of the parent or guardian of the minor child is reported in accordance with this section;

"(ii) an individual acting as a nominee, intermediary, custodian, or agent on behalf of another individual;

"(iii) an individual acting solely as an employee of a corporation, limited liability company, or other similar entity and whose control over or economic benefits from such entity is derived solely from the employment status of the person;

"(iv) an individual whose only interest in a corporation, limited liability company, or other similar entity is through a right of inheritance; or

"(v) a creditor of a corporation, limited liability company, or other similar entity, unless the creditor meets the requirements of subparagraph (A).

"(4) DIRECTOR.—The term 'Director' means the Director of FinCEN.

"(5) FINCEN.—The term 'FinCEN' means the Financial Crimes Enforcement Network of the Department of the Treasury.

"(6) FINCEN IDENTIFIER.—The term 'FinCEN identifier' means the unique identifying number assigned by FinCEN to a person under this section.

"(7) FOREIGN PERSON.—The term 'foreign person' means a person who is not a United States person, as defined in section 7701(a) of the Internal Revenue Code of 1986.

"(8) INDIAN TRIBE.—The term 'Indian Tribe' has the meaning given the term 'Indian tribe' in section 102 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5130).

"(9) LAWFULLY ADMITTED FOR PERMANENT RESIDENCE.—The term 'lawfully admitted for permanent residence' has the meaning given the term in section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)).

"(10) POOLED INVESTMENT VEHICLE.—The term 'pooled investment vehicle' means—

"(A) any investment company, as defined in section 3(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(a)); or

"(B) any company that—

"(i) would be an investment company under that section but for the exclusion provided from that definition by paragraph (1) or (7) of section 3(c) of that Act (15 U.S.C. 80a–3(c)); and

"(ii) is identified by its legal name by the applicable investment adviser in its Form ADV (or successor form) filed with the Securities and Exchange Commission.

"(11) REPORTING COMPANY.—The term 'reporting company'—

"(A) means a corporation, limited liability company, or other similar entity that is—

"(i) created by the filing of a document with a secretary of state or a similar office under the law of a State or Indian Tribe; or

"(ii) formed under the law of a foreign country and registered to do business in the United States by the filing of a document with a secretary of state or a similar office under the laws of a State or Indian Tribe; and

"(B) does not include—

"(i) an issuer—

"(I) of a class of securities registered under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l); or

"(II) that is required to file supplementary and periodic information under section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(d));

"(ii) an entity—

"(I) established under the laws of the United States, an Indian Tribe, a State, or a political subdivision of a State, or under an interstate compact between 2 or more States; and

"(II) that exercises governmental authority on behalf of the United States or any such Indian Tribe, State, or political subdivision;

"(iii) a bank, as defined in—

"(I) section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813);

"(II) section 2(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)); or

"(III) section 202(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a));

"(iv) a Federal credit union or a State credit union (as those terms are defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752));

"(v) a bank holding company (as defined in section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841)) or a savings and loan holding company (as defined in section 10(a) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)));

"(vi) a money transmitting business registered with the Secretary of the Treasury under section 5330;

"(vii) a broker or dealer (as those terms are defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c)) that is registered under section 15 of that Act (15 U.S.C. 78o);

"(viii) an exchange or clearing agency (as those terms are defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c)) that is registered under section 6 or 17A of that Act (15 U.S.C. 78f, 78q–1);

"(ix) any other entity not described in clause (i), (vii), or (viii) that is registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.);

"(x) an entity that—

"(I) is an investment company (as defined in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a–3)) or an investment adviser (as defined in section 202 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2)); and

"(II) is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.) or the Investment Advisers Act of 1940 (15 U.S.C. 80b–1 et seq.);

"(xi) an investment adviser—

"(I) described in section 203(l) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3(l)); and

"(II) that has filed Item 10, Schedule A, and Schedule B of Part 1A of Form ADV, or any successor thereto, with the Securities and Exchange Commission;

"(xii) an insurance company (as defined in section 2 of the Investment Company Act of 1940 (15 U.S.C. 80a–2));

"(xiii) an entity that—

"(I) is an insurance producer that is authorized by a State and subject to supervision by the insurance commissioner or a similar official or agency of a State; and

"(II) has an operating presence at a physical office within the United States;

"(xiv)(I) a registered entity (as defined in section 1a of the Commodity Exchange Act (7 U.S.C. 1a)); or

"(II) an entity that is—

"(aa)(AA) a futures commission merchant, introducing broker, swap dealer, major swap participant, commodity pool operator, or commodity trading advisor (as those terms are defined in section 1a of the Commodity Exchange Act (7 U.S.C. 1a)); or

"(BB) a retail foreign exchange dealer, as described in section 2(c)(2)(B) of that Act (7 U.S.C. 2(c)(2)(B)); and

"(bb) registered with the Commodity Futures Trading Commission under the Commodity Exchange Act (7 U.S.C. 1 et seq.);

"(xv) a public accounting firm registered in accordance with section 102 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7212);

"(xvi) a public utility that provides telecommunications services, electrical power, natural gas, or water and sewer services within the United States;

"(xvii) a financial market utility designated by the Financial Stability Oversight Council under section 804 of the Payment, Clearing, and Settlement Supervision Act of 2010 (12 U.S.C. 5463);

"(xviii) any pooled investment vehicle that is operated or advised by a person described in clause (iii), (iv), (vii), (x), or (xi);

"(xix) any—

"(I) organization that is described in section 501(c) of the Internal Revenue Code of 1986 (determined without regard to section 508(a) of such Code) and exempt from tax under section 501(a) of such Code, except that in the case of any such organization that loses an exemption from tax, such organization shall be considered to be continued to be described in this subclause for the 180-day period beginning on the date of the loss of such tax-exempt status;

"(II) political organization (as defined in section 527(e)(1) of such Code) that is exempt from tax under section 527(a) of such Code; or

"(III) trust described in paragraph (1) or (2) of section 4947(a) of such Code;

"(xx) any corporation, limited liability company, or other similar entity that—

"(I) operates exclusively to provide financial assistance to, or hold governance rights over, any entity described in clause (xix);

"(II) is a United States person;

"(III) is beneficially owned or controlled exclusively by 1 or more United States persons that are United States citizens or lawfully admitted for permanent residence; and

"(IV) derives at least a majority of its funding or revenue from 1 or more United States persons that are United States citizens or lawfully admitted for permanent residence;

"(xxi) any entity that—

"(I) employs more than 20 employees on a full-time basis in the United States;

"(II) filed in the previous year Federal income tax returns in the United States demonstrating more than $5,000,000 in gross receipts or sales in the aggregate, including the receipts or sales of—

"(aa) other entities owned by the entity; and

"(bb) other entities through which the entity operates; and

"(III) has an operating presence at a physical office within the United States;

"(xxii) any corporation, limited liability company, or other similar entity of which the ownership interests are owned or controlled, directly or indirectly, by 1 or more entities described in clause (i), (ii), (iii), (iv), (v), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii) (xix), or (xxi);

"(xxiii) any corporation, limited liability company, or other similar entity—

"(I) in existence for over 1 year;

"(II) that is not engaged in active business;

"(III) that is not owned, directly or indirectly, by a foreign person;

"(IV) that has not, in the preceding 12-month period, experienced a change in ownership or sent or received funds in an amount greater than $1,000 (including all funds sent to or received from any source through a financial account or accounts in which the entity, or an affiliate of the entity, maintains an interest); and

"(V) that does not otherwise hold any kind or type of assets, including an ownership interest in any corporation, limited liability company, or other similar entity;

"(xxiv) any entity or class of entities that the Secretary of the Treasury, with the written concurrence of the Attorney General and the Secretary of Homeland Security, has, by regulation, determined should be exempt from the requirements of subsection (b) because requiring beneficial ownership information from the entity or class of entities—

"(I) would not serve the public interest; and

"(II) would not be highly useful in national security, intelligence, and law enforcement agency efforts to detect, prevent, or prosecute money laundering, the financing of terrorism, proliferation finance, serious tax fraud, or other crimes.

"(12) STATE.—The term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other commonwealth, territory, or possession of the United States.

"(13) UNIQUE IDENTIFYING NUMBER.—The term 'unique identifying number' means, with respect to an individual or an entity with a sole member, the unique identifying number from an acceptable identification document.

"(14) UNITED STATES PERSON.—The term 'United States person' has the meaning given the term in section 7701(a) of the Internal Revenue Code of 1986.

"(b) BENEFICIAL OWNERSHIP INFORMATION REPORTING.—

"(1) REPORTING.—

"(A) IN GENERAL.—In accordance with regulations prescribed by the Secretary of the Treasury, each reporting

company shall submit to FinCEN a report that contains the information described in paragraph (2).

"(B) REPORTING OF EXISTING ENTITIES.—In accordance with regulations prescribed by the Secretary of the Treasury, any reporting company that has been formed or registered before the effective date of the regulations prescribed under this subsection shall, in a timely manner, and not later than 2 years after the effective date of the regulations prescribed under this subsection, submit to FinCEN a report that contains the information described in paragraph (2).

"(C) REPORTING AT TIME OF FORMATION OR REGISTRATION.—In accordance with regulations prescribed by the Secretary of the Treasury, any reporting company that has been formed or registered after the effective date of the regulations promulgated under this subsection shall, at the time of formation or registration, submit to FinCEN a report that contains the information described in paragraph (2).

"(D) UPDATED REPORTING FOR CHANGES IN BENEFICIAL OWNERSHIP.—In accordance with regulations prescribed by the Secretary of the Treasury, a reporting company shall, in a timely manner, and not later than 1 year after the date on which there is a change with respect to any information described in paragraph (2), submit to FinCEN a report that updates the information relating to the change.

"(E) TREASURY REVIEW OF UPDATED REPORTING FOR CHANGES IN BENEFICIAL OWNERSHIP.—The Secretary of the Treasury, in consultation with the Attorney General and the Secretary of Homeland Security, shall conduct a review to evaluate—

"(i) the necessity of a requirement for corporations, limited liability companies, or other similar entities to update the report on beneficial ownership information in paragraph (2), related to a change in ownership, within a shorter period of time than required under subparagraph (D), taking into account the updating requirements under subparagraph (D) and the information contained in the reports;

"(ii) the benefit to law enforcement and national security officials that might be derived from, and the burden that a requirement to update the list of beneficial owners within a shorter period of time after a change in the list of beneficial owners would impose on corporations, limited liability companies, or other similar entities; and

"(iii) not later than 2 years after the date of enactment of this section, incorporate into the regulations, as appropriate, any changes necessary to implement the findings and determinations based on the review required under this subparagraph.

"(F) REGULATION REQUIREMENTS.—In promulgating the regulations required under subparagraphs (A) through (D), the Secretary of the Treasury shall, to the greatest extent practicable—

"(i) establish partnerships with State, local, and Tribal governmental agencies;

"(ii) collect information described in paragraph (2) through existing Federal, State, and local processes and procedures;

"(iii) minimize burdens on reporting companies associated with the collection of the information described in paragraph (2), in light of the private compliance costs placed on legitimate businesses, including by identifying any steps taken to mitigate the costs relating to compliance with the collection of information; and

"(iv) collect information described in paragraph (2) in a form and manner that ensures the information is highly useful in—

"(I) facilitating important national security, intelligence, and law enforcement activities; and

"(II) confirming beneficial ownership information provided to financial institutions to facilitate the compliance of the financial institutions with anti-money laundering, countering the financing of terrorism, and customer due diligence requirements under applicable law.

"(G) REGULATORY SIMPLIFICATION.—To simplify compliance with this section for reporting companies and financial institutions, the Secretary of the Treasury shall ensure that the regulations prescribed by the Secretary under this subsection are added to part 1010 of title 31, Code of Federal Regulations, or any successor thereto.

"(2) REQUIRED INFORMATION.—

"(A) IN GENERAL.—In accordance with regulations prescribed by the Secretary of the Treasury, a report delivered under paragraph (1) shall, except as provided in subparagraph (B), identify each beneficial owner of the applicable reporting company and each applicant with respect to that reporting company by—

"(i) full legal name;

"(ii) date of birth;

"(iii) current, as of the date on which the report is delivered, residential or business street address; and

"(iv)(I) unique identifying number from an acceptable identification document; or

"(II) FinCEN identifier in accordance with requirements in paragraph (3).

"(B) REPORTING REQUIREMENT FOR EXEMPT ENTITIES HAVING AN OWNERSHIP INTEREST.—If an exempt entity described in subsection (a)(11)(B) has or will have a direct or indirect ownership interest in a reporting company, the reporting company or the applicant—

"(i) shall, with respect to the exempt entity, only list the name of the exempt entity; and

"(ii) shall not be required to report the information with respect to the exempt entity otherwise required under subparagraph (A).

"(C) REPORTING REQUIREMENT FOR CERTAIN POOLED INVESTMENT VEHICLES.—Any corporation, limited liability company, or other similar entity that is an exempt entity

described in subsection (a)(11)(B)(xviii) and is formed under the laws of a foreign country shall file with FinCEN a written certification that provides identification information of an individual that exercises substantial control over the pooled investment vehicle in the same manner as required under this subsection.

"(D) REPORTING REQUIREMENT FOR EXEMPT SUBSIDIARIES.—In accordance with the regulations promulgated by the Secretary, any corporation, limited liability company, or other similar entity that is an exempt entity described in subsection (a)(11)(B)(xxii), shall, at the time such entity no longer meets the criteria described in subsection (a)(11)(B)(xxii), submit to FinCEN a report containing the information required under subparagraph (A).

"(E) REPORTING REQUIREMENT FOR EXEMPT GRANDFATHERED ENTITIES.—In accordance with the regulations promulgated by the Secretary, any corporation, limited liability company, or other similar entity that is an exempt entity described in subsection (a)(11)(B)(xxiii), shall, at the time such entity no longer meets the criteria described in subsection (a)(11)(B)(xxiii), submit to FinCEN a report containing the information required under subparagraph (A).

"(3) FINCEN IDENTIFIER.—

"(A) ISSUANCE OF FINCEN IDENTIFIER.—

"(i) IN GENERAL.—Upon request by an individual who has provided FinCEN with the information described in paragraph (2)(A) pertaining to the individual, or by an entity that has reported its beneficial ownership information to FinCEN in accordance with this section, FinCEN shall issue a FinCEN identifier to such individual or entity.

"(ii) UPDATING OF INFORMATION.—An individual or entity with a FinCEN identifier shall submit filings with FinCEN pursuant to paragraph (1) updating any information described in paragraph (2) in a timely manner consistent with paragraph (1)(D).

"(iii) EXCLUSIVE IDENTIFIER.—FinCEN shall not issue more than 1 FinCEN identifier to the same individual or to the same entity (including any successor entity).

"(B) USE OF FINCEN IDENTIFIER FOR INDIVIDUALS.—Any person required to report the information described in paragraph (2) with respect to an individual may instead report the FinCEN identifier of the individual.

"(C) USE OF FINCEN IDENTIFIER FOR ENTITIES.—If an individual is or may be a beneficial owner of a reporting company by an interest held by the individual in an entity that, directly or indirectly, holds an interest in the reporting company, the reporting company may report the FinCEN identifier of the entity in lieu of providing the information required by paragraph (2)(A) with respect to the individual.

"(4) REGULATIONS.—The Secretary of the Treasury shall—

"(A) by regulation prescribe procedures and standards governing any report under paragraph (2) and any FinCEN identifier under paragraph (3); and

"(B) in promulgating the regulations under subparagraph (A) to the extent practicable, consistent with the purposes of this section—

"(i) minimize burdens on reporting companies associated with the collection of beneficial ownership information, including by eliminating duplicative requirements; and

"(ii) ensure the beneficial ownership information reported to FinCEN is accurate, complete, and highly useful.

"(5) EFFECTIVE DATE.—The requirements of this subsection shall take effect on the effective date of the regulations prescribed by the Secretary of the Treasury under this subsection, which shall be promulgated not later than 1 year after the date of enactment of this section.

"(6) REPORT.—Not later than 1 year after the effective date described in paragraph (5), and annually thereafter for 2 years, the Secretary of the Treasury shall submit to Congress a report describing the procedures and standards prescribed to carry out paragraph (2), which shall include an assessment of—

"(A) the effectiveness of those procedures and standards in minimizing reporting burdens (including through the elimination of duplicative requirements) and strengthening the accuracy of reports submitted under paragraph (2); and

"(B) any alternative procedures and standards prescribed to carry out paragraph (2).

"(c) RETENTION AND DISCLOSURE OF BENEFICIAL OWNERSHIP INFORMATION BY FINCEN.—

"(1) RETENTION OF INFORMATION.—Beneficial ownership information required under subsection (b) relating to each reporting company shall be maintained by FinCEN for not fewer than 5 years after the date on which the reporting company terminates.

"(2) DISCLOSURE.—

"(A) PROHIBITION.—Except as authorized by this subsection and the protocols promulgated under this subsection, beneficial ownership information reported under this section shall be confidential and may not be disclosed by—

"(i) an officer or employee of the United States;

"(ii) an officer or employee of any State, local, or Tribal agency; or

"(iii) an officer or employee of any financial institution or regulatory agency receiving information under this subsection.

"(B) SCOPE OF DISCLOSURE BY FINCEN.—FinCEN may disclose beneficial ownership information reported pursuant to this section only upon receipt of—

"(i) a request, through appropriate protocols—

"(I) from a Federal agency engaged in national security, intelligence, or law enforcement activity, for use in furtherance of such activity; or

"(II) from a State, local, or Tribal law enforcement agency, if a court of competent jurisdiction,

including any officer of such a court, has authorized the law enforcement agency to seek the information in a criminal or civil investigation;

"(ii) a request from a Federal agency on behalf of a law enforcement agency, prosecutor, or judge of another country, including a foreign central authority or competent authority (or like designation), under an international treaty, agreement, convention, or official request made by law enforcement, judicial, or prosecutorial authorities in trusted foreign countries when no treaty, agreement, or convention is available—

"(I) issued in response to a request for assistance in an investigation or prosecution by such foreign country; and

"(II) that—

"(aa) requires compliance with the disclosure and use provisions of the treaty, agreement, or convention, publicly disclosing any beneficial ownership information received; or

"(bb) limits the use of the information for any purpose other than the authorized investigation or national security or intelligence activity;

"(iii) a request made by a financial institution subject to customer due diligence requirements, with the consent of the reporting company, to facilitate the compliance of the financial institution with customer due diligence requirements under applicable law; or

"(iv) a request made by a Federal functional regulator or other appropriate regulatory agency consistent with the requirements of subparagraph (C).

"(C) FORM AND MANNER OF DISCLOSURE TO FINANCIAL INSTITUTIONS AND REGULATORY AGENCIES.—The Secretary of the Treasury shall, by regulation, prescribe the form and manner in which information shall be provided to a financial institution under subparagraph (B)(iii), which regulation shall include that the information shall also be available to a Federal functional regulator or other appropriate regulatory agency, as determined by the Secretary, if the agency—

"(i) is authorized by law to assess, supervise, enforce, or otherwise determine the compliance of the financial institution with the requirements described in that subparagraph;

"(ii) uses the information solely for the purpose of conducting the assessment, supervision, or authorized investigation or activity described in clause (i); and

"(iii) enters into an agreement with the Secretary providing for appropriate protocols governing the safekeeping of the information.

"(3) APPROPRIATE PROTOCOLS.—The Secretary of the Treasury shall establish by regulation protocols described in paragraph (2)(A) that—

"(A) protect the security and confidentiality of any beneficial ownership information provided directly by the Secretary;

"(B) require the head of any requesting agency, on a non-delegable basis, to approve the standards and procedures utilized by the requesting agency and certify to the Secretary semi-annually that such standards and procedures are in compliance with the requirements of this paragraph;

"(C) require the requesting agency to establish and maintain, to the satisfaction of the Secretary, a secure system in which such beneficial ownership information provided directly by the Secretary shall be stored;

"(D) require the requesting agency to furnish a report to the Secretary, at such time and containing such information as the Secretary may prescribe, that describes the procedures established and utilized by such agency to ensure the confidentiality of the beneficial ownership information provided directly by the Secretary;

"(E) require a written certification for each authorized investigation or other activity described in paragraph (2) from the head of an agency described in paragraph (2)(B)(i)(I), or their designees, that—

"(i) states that applicable requirements have been met, in such form and manner as the Secretary may prescribe; and

"(ii) at a minimum, sets forth the specific reason or reasons why the beneficial ownership information is relevant to an authorized investigation or other activity described in paragraph (2);

"(F) require the requesting agency to limit, to the greatest extent practicable, the scope of information sought, consistent with the purposes for seeking beneficial ownership information;

"(G) restrict, to the satisfaction of the Secretary, access to beneficial ownership information to whom disclosure may be made under the provisions of this section to only users at the requesting agency—

"(i) who are directly engaged in the authorized investigation or activity described in paragraph (2);

"(ii) whose duties or responsibilities require such access;

"(iii) who—

"(I) have undergone appropriate training; or

"(II) use staff to access the database who have undergone appropriate training;

"(iv) who use appropriate identity verification mechanisms to obtain access to the information; and

"(v) who are authorized by agreement with the Secretary to access the information;

"(H) require the requesting agency to establish and maintain, to the satisfaction of the Secretary, a permanent system of standardized records with respect to an auditable trail of each request for beneficial ownership information submitted to the Secretary by the agency, including the reason for the request, the name of the individual who made the request, the date of the request, any disclosure of beneficial ownership information made by or to the agency, and any other information the Secretary of the Treasury determines is appropriate;

"(I) require that the requesting agency receiving beneficial ownership information from the Secretary conduct an annual audit to verify that the beneficial ownership information received from the Secretary has been accessed and used appropriately, and in a manner consistent with this paragraph and provide the results of that audit to the Secretary upon request;

"(J) require the Secretary to conduct an annual audit of the adherence of the agencies to the protocols established under this paragraph to ensure that agencies are requesting and using beneficial ownership information appropriately; and

"(K) provide such other safeguards which the Secretary determines (and which the Secretary prescribes in regulations) to be necessary or appropriate to protect the confidentiality of the beneficial ownership information.

"(4) VIOLATION OF PROTOCOLS.—Any employee or officer of a requesting agency under paragraph (2)(B) that violates the protocols described in paragraph (3), including unauthorized disclosure or use, shall be subject to criminal and civil penalties under subsection (h)(3)(B).

"(5) DEPARTMENT OF THE TREASURY ACCESS.—

"(A) IN GENERAL.—Beneficial ownership information shall be accessible for inspection or disclosure to officers and employees of the Department of the Treasury whose official duties require such inspection or disclosure subject to procedures and safeguards prescribed by the Secretary of the Treasury.

"(B) TAX ADMINISTRATION PURPOSES.—Officers and employees of the Department of the Treasury may obtain access to beneficial ownership information for tax administration purposes in accordance with this subsection.

"(6) REJECTION OF REQUEST.—The Secretary of the Treasury—

"(A) shall reject a request not submitted in the form and manner prescribed by the Secretary under paragraph (2)(C); and

"(B) may decline to provide information requested under this subsection upon finding that—

"(i) the requesting agency has failed to meet any other requirement of this subsection;

"(ii) the information is being requested for an unlawful purpose; or

"(iii) other good cause exists to deny the request.

"(7) SUSPENSION.—The Secretary of the Treasury may suspend or debar a requesting agency from access for any of the grounds set forth in paragraph (6), including for repeated or serious violations of any requirement under paragraph (2).

"(8) SECURITY PROTECTIONS.—The Secretary of the Treasury shall maintain information security protections, including encryption, for information reported to FinCEN under subsection (b) and ensure that the protections—

"(A) are consistent with standards and guidelines developed under subchapter II of chapter 35 of title 44; and

"(B) incorporate Federal information system security controls for high-impact systems, excluding national security systems, consistent with applicable law to prevent the loss of confidentiality, integrity, or availability of information that may have a severe or catastrophic adverse effect.

"(9) REPORT BY THE SECRETARY.—Not later than 1 year after the effective date of the regulations prescribed under this subsection, and annually thereafter for 5 years, the Secretary of the Treasury shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report, which—

"(A) may include a classified annex; and

"(B) shall, with respect to each request submitted under paragraph (2)(B)(i)(II) during the period covered by the report, and consistent with protocols established by the Secretary that are necessary to protect law enforcement sensitive, tax-related, or classified information, include—

"(i) the date on which the request was submitted;

"(ii) the source of the request;

"(iii) whether the request was accepted or rejected or is pending; and

"(iv) a general description of the basis for rejecting the such request, if applicable.

"(10) AUDIT BY THE COMPTROLLER GENERAL.—Not later than 1 year after the effective date of the regulations prescribed under this subsection, and annually thereafter for 6 years, the Comptroller General of the United States shall—

"(A) audit the procedures and safeguards established by the Secretary of the Treasury under those regulations, including duties for verification of requesting agencies systems and adherence to the protocols established under this subsection, to determine whether such safeguards and procedures meet the requirements of this subsection and that the Department of the Treasury is using beneficial ownership information appropriately in a manner consistent with this subsection; and

"(B) submit to the Secretary of the Treasury, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Financial Services of the House of Representatives a report that contains the findings and determinations with respect to any audit conducted under this paragraph.

"(11) DEPARTMENT OF THE TREASURY TESTIMONY.—

"(A) IN GENERAL.—Not later than March 31 of each year for 5 years beginning in 2022, the Director shall be made available to testify before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, or an appropriate subcommittee thereof, regarding FinCEN issues, including, specifically, issues relating to—

"(i) anticipated plans, goals, and resources necessary for operations of FinCEN in implementing the requirements of the Anti-Money Laundering Act of 2020 and the amendments made by that Act;

"(ii) the adequacy of appropriations for FinCEN in the current and the previous fiscal year to—

"(I) ensure that the requirements and obligations imposed upon FinCEN by the Anti-Money Laundering Act of 2020 and the amendments made by that Act are completed as efficiently, effectively, and expeditiously as possible; and

"(II) provide for robust and effective implementation and enforcement of the provisions of the Anti-Money Laundering Act of 2020 and the amendments made by that Act;

"(iii) strengthen FinCEN management efforts, as necessary and as identified by the Director, to meet the requirements of the Anti-Money Laundering Act of 2020 and the amendments made by that Act;

"(iv) provide for the necessary public outreach to ensure the broad dissemination of information regarding any new program requirements provided for in the Anti-Money Laundering Act of 2020 and the amendments made by that Act, including—

"(I) educating the business community on the goals and operations of the new beneficial ownership database; and

"(II) disseminating to the governments of countries that are allies or partners of the United States information on best practices developed by FinCEN related to beneficial ownership information retention and use;

"(v) any policy recommendations that could facilitate and improve communication and coordination between the private sector, FinCEN, and the Federal, State, and local agencies and entities involved in implementing innovative approaches to meet their obligations under the Anti-Money Laundering Act of 2020 and the amendments made by that Act, the Bank Secrecy Act (as defined in section 6003 of the Anti-Money Laundering Act of 2020), and other anti-money laundering compliance laws; and

"(vi) any other matter that the Director determines is appropriate.

"(B) TESTIMONY CLASSIFICATION.—The testimony required under subparagraph (A)—

"(i) shall be submitted in unclassified form; and

"(ii) may include a classified portion.

"(d) AGENCY COORDINATION.—

"(1) IN GENERAL.—The Secretary of the Treasury shall, to the greatest extent practicable, update the information described in subsection (b) by working collaboratively with other relevant Federal, State, and Tribal agencies.

"(2) INFORMATION FROM RELEVANT FEDERAL, STATE, AND TRIBAL AGENCIES.—Relevant Federal, State, and Tribal agencies, as determined by the Secretary of the Treasury, shall, to the extent practicable, and consistent with applicable legal protections, cooperate with and provide information requested by FinCEN for purposes of maintaining an accurate, complete, and highly useful database for beneficial ownership information.

"(3) REGULATIONS.—The Secretary of the Treasury, in consultation with the heads of other relevant Federal agencies, may promulgate regulations as necessary to carry out this subsection.

"(e) NOTIFICATION OF FEDERAL OBLIGATIONS.—

"(1) FEDERAL.—The Secretary of the Treasury shall take reasonable steps to provide notice to persons of their obligations to report beneficial ownership information under this section, including by causing appropriate informational materials describing such obligations to be included in 1 or more forms or other informational materials regularly distributed by the Internal Revenue Service and FinCEN.

"(2) STATES AND INDIAN TRIBES.—

"(A) IN GENERAL.—As a condition of the funds made available under this section, each State and Indian Tribe shall, not later than 2 years after the effective date of the regulations promulgated under subsection (b)(4), take the following actions:

"(i) The secretary of a State or a similar office in each State or Indian Tribe responsible for the formation or registration of entities created by the filing of a public document with the office under the law of the State or Indian Tribe shall periodically, including at the time of any initial formation or registration of an entity, assessment of an annual fee, or renewal of any license to do business in the United States and in connection with State or Indian Tribe corporate tax assessments or renewals—

"(I) notify filers of their requirements as reporting companies under this section, including the requirements to file and update reports under paragraphs (1) and (2) of subsection (b); and

"(II) provide the filers with a copy of the reporting company form created by the Secretary of the Treasury under this subsection or an internet link to that form.

"(ii) The secretary of a State or a similar office in each State or Indian Tribe responsible for the formation or registration of entities created by the filing of a public document with the office under the law of the State or Indian Tribes shall update the websites, forms relating to incorporation, and physical premises of the office to notify filers of their requirements as reporting companies under this section, including providing an internet link to the reporting company form created by the Secretary of the Treasury under this section.

"(B) NOTIFICATION FROM THE DEPARTMENT OF THE TREASURY.—A notification under clause (i) or (ii) of subparagraph (A) shall explicitly state that the notification is on behalf of the Department of the Treasury for the purpose of preventing money laundering, the financing of terrorism, proliferation financing, serious tax fraud, and other financial crime by requiring nonpublic registration of business entities formed or registered to do business in the United States.

"(f) NO BEARER SHARE CORPORATIONS OR LIMITED LIABILITY COMPANIES.—A corporation, limited liability company, or other similar entity formed under the laws of a State or Indian Tribe may not issue a certificate in bearer form evidencing either a whole or fractional interest in the entity.

"(g) REGULATIONS.—In promulgating regulations carrying out this section, the Director shall reach out to members of the small business community and other appropriate parties to ensure efficiency and effectiveness of the process for the entities subject to the requirements of this section.

"(h) PENALTIES.—

"(1) REPORTING VIOLATIONS.—It shall be unlawful for any person to—

"(A) willfully provide, or attempt to provide, false or fraudulent beneficial ownership information, including a false or fraudulent identifying photograph or document, to FinCEN in accordance with subsection (b); or

"(B) willfully fail to report complete or updated beneficial ownership information to FinCEN in accordance with subsection (b).

"(2) UNAUTHORIZED DISCLOSURE OR USE.—Except as authorized by this section, it shall be unlawful for any person to knowingly disclose or knowingly use the beneficial ownership information obtained by the person through—

"(A) a report submitted to FinCEN under subsection (b); or

"(B) a disclosure made by FinCEN under subsection (c).

"(3) CRIMINAL AND CIVIL PENALTIES.—

"(A) REPORTING VIOLATIONS.—Any person that violates subparagraph (A) or (B) of paragraph (1)—

"(i) shall be liable to the United States for a civil penalty of not more than $500 for each day that the violation continues or has not been remedied; and

"(ii) may be fined not more than $10,000, imprisoned for not more than 2 years, or both.

"(B) UNAUTHORIZED DISCLOSURE OR USE VIOLATIONS.—Any person that violates paragraph (2)—

"(i) shall be liable to the United States for a civil penalty of not more than $500 for each day that the violation continues or has not been remedied; and

"(ii)(I) shall be fined not more than $250,000, or imprisoned for not more than 5 years, or both; or

"(II) while violating another law of the United States or as part of a pattern of any illegal activity involving more than $100,000 in a 12-month period, shall be fined not more than $500,000, imprisoned for not more than 10 years, or both.

"(C) SAFE HARBOR.—

"(i) SAFE HARBOR.—

"(I) IN GENERAL.—Except as provided in subclause (II), a person shall not be subject to civil or criminal penalty under subparagraph (A) if the person—

"(aa) has reason to believe that any report submitted by the person in accordance with

subsection (b) contains inaccurate information; and

"(bb) in accordance with regulations issued by the Secretary, voluntarily and promptly, and in no case later than 90 days after the date on which the person submitted the report, submits a report containing corrected information.

"(II) EXCEPTIONS.—A person shall not be exempt from penalty under clause (i) if, at the time the person submits the report required by subsection (b), the person—

"(aa) acts for the purpose of evading the reporting requirements under subsection (b); and

"(bb) has actual knowledge that any information contained in the report is inaccurate.

"(ii) ASSISTANCE.—FinCEN shall provide assistance to any person seeking to submit a corrected report in accordance with clause (i)(I).

"(4) USER COMPLAINT PROCESS.—

"(A) IN GENERAL.—The Inspector General of the Department of the Treasury, in coordination with the Secretary of the Treasury, shall provide public contact information to receive external comments or complaints regarding the beneficial ownership information notification and collection process or regarding the accuracy, completeness, or timeliness of such information.

"(B) REPORT.—The Inspector General of the Department of the Treasury shall submit to Congress a periodic report that—

"(i) summarizes external comments or complaints and related investigations conducted by the Inspector General related to the collection of beneficial ownership information; and

"(ii) includes recommendations, in coordination with FinCEN, to improve the form and manner of the notification, collection and updating processes of the beneficial ownership information reporting requirements to ensure the beneficial ownership information reported to FinCEN is accurate, complete, and highly useful.

"(5) TREASURY OFFICE OF INSPECTOR GENERAL INVESTIGATION IN THE EVENT OF A CYBERSECURITY BREACH.—

"(A) IN GENERAL.—In the event of a cybersecurity breach that results in substantial unauthorized access and disclosure of sensitive beneficial ownership information, the Inspector General of the Department of the Treasury shall conduct an investigation into FinCEN cybersecurity practices that, to the extent possible, determines any vulnerabilities within FinCEN information security and confidentiality protocols and provides recommendations for fixing those deficiencies.

"(B) REPORT.—The Inspector General of the Department of the Treasury shall submit to the Secretary of

the Treasury a report on each investigation conducted under subparagraph (A).

"(C) ACTIONS OF THE SECRETARY.—Upon receiving a report submitted under subparagraph (B), the Secretary of the Treasury shall—

"(i) determine whether the Director had any responsibility for the cybersecurity breach or whether policies, practices, or procedures implemented at the direction of the Director led to the cybersecurity breach; and

"(ii) submit to Congress a written report outlining the findings of the Secretary, including a determination by the Secretary on whether to retain or dismiss the individual serving as the Director.

"(6) DEFINITION.—In this subsection, the term 'willfully' means the voluntary, intentional violation of a known legal duty.

"(i) CONTINUOUS REVIEW OF EXEMPT ENTITIES.—

"(1) IN GENERAL.—On and after the effective date of the regulations promulgated under subsection (b)(4), if the Secretary of the Treasury makes a determination, which may be based on information contained in the report required under section 6502(c) of the Anti-Money Laundering Act of 2020 or on any other information available to the Secretary, that an entity or class of entities described in subsection (a)(11)(B) has been involved in significant abuse relating to money laundering, the financing of terrorism, proliferation finance, serious tax fraud, or any other financial crime, not later than 90 days after the date on which the Secretary makes the determination, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that explains the reasons for the determination and any administrative or legislative recommendations to prevent such abuse.

"(2) CLASSIFIED ANNEX.—The report required by paragraph (1)—

"(A) shall be submitted in unclassified form; and

"(B) may include a classified annex.".

(b) CONFORMING AMENDMENTS.—Title 31, United States Code, is amended—

(1) in section 5321(a)—

(A) in paragraph (1), by striking "sections 5314 and 5315" each place that term appears and inserting "sections 5314, 5315, and 5336"; and

(B) in paragraph (6), by inserting "(except section 5336)" after "subchapter" each place that term appears;

(2) in section 5322, by striking "section 5315 or 5324" each place that term appears and inserting "section 5315, 5324, or 5336"; and

(3) in the table of sections for chapter 53, as amended by sections 6306(b)(1), 6307(b), and 6313(b) of this division, by adding at the end the following:

"5336. Beneficial ownership information reporting requirements.".

(c) REPORTING REQUIREMENTS FOR FEDERAL CONTRACTORS.—

(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Administrator for Federal Procurement Policy shall revise the Federal Acquisition Regulation maintained under section 1303(a)(1) of title 41, United States Code, to require any contractor or subcontractor that is subject to the requirement to disclose beneficial ownership information under section 5336 of title 31, United States Code, as added by subsection (a) of this section, to provide the information required to be disclosed under such section to the Federal Government as part of any bid or proposal for a contract with a value threshold in excess of the simplified acquisition threshold under section 134 of title 41, United States Code.

(2) APPLICABILITY.—The revision required under paragraph (1) shall not apply to a covered contractor or subcontractor, as defined in section 847 of the National Defense Authorization Act for Fiscal Year 2020 (Public Law 116–92), that is subject to the beneficial ownership disclosure and review requirements under that section.

(d) REVISED DUE DILIGENCE RULEMAKING.—

(1) IN GENERAL.—Not later than 1 year after the effective date of the regulations promulgated under section 5336(b)(4) of title 31, United States Code, as added by subsection (a) of this section, the Secretary of the Treasury shall revise the final rule entitled "Customer Due Diligence Requirements for Financial Institutions" (81 Fed. Reg. 29397 (May 11, 2016)) to—

(A) bring the rule into conformance with this division and the amendments made by this division;

(B) account for the access of financial institutions to beneficial ownership information filed by reporting companies under section 5336, and provided in the form and manner prescribed by the Secretary, in order to confirm the beneficial ownership information provided directly to the financial institutions to facilitate the compliance of those financial institutions with anti-money laundering, countering the financing of terrorism, and customer due diligence requirements under applicable law; and

(C) reduce any burdens on financial institutions and legal entity customers that are, in light of the enactment of this division and the amendments made by this division, unnecessary or duplicative.

(2) CONFORMANCE.—

(A) IN GENERAL.—In carrying out paragraph (1), the Secretary of the Treasury shall rescind paragraphs (b) through (j) of section 1010.230 of title 31, Code of Federal Regulations upon the effective date of the revised rule promulgated under this subsection.

(B) RULE OF CONSTRUCTION.—Nothing in this section may be construed to authorize the Secretary of the Treasury to repeal the requirement that financial institutions identify and verify beneficial owners of legal entity customers under section 1010.230(a) of title 31, Code of Federal Regulations.

(3) CONSIDERATIONS.—In fulfilling the requirements under this subsection, the Secretary of the Treasury shall consider—

(A) the use of risk-based principles for requiring reports of beneficial ownership information;

(B) the degree of reliance by financial institutions on information provided by FinCEN for purposes of obtaining and updating beneficial ownership information;

(C) strategies to improve the accuracy, completeness, and timeliness of the beneficial ownership information reported to the Secretary; and

(D) any other matter that the Secretary determines is appropriate.

TITLE LXV—MISCELLANEOUS

SEC. 6501. INVESTIGATIONS AND PROSECUTION OF OFFENSES FOR VIOLATIONS OF THE SECURITIES LAWS.

(a) IN GENERAL.—Section 21(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)) is amended—

(1) in paragraph (3)—

(A) in the paragraph heading—

(i) by inserting "CIVIL" before "MONEY PENALTIES"; and

(ii) by striking "IN CIVIL ACTIONS" and inserting "AND AUTHORITY TO SEEK DISGORGEMENT";

(B) in subparagraph (A), by striking "jurisdiction to impose" and all that follows through the period at the end and inserting the following: "jurisdiction to—

"(i) impose, upon a proper showing, a civil penalty to be paid by the person who committed such violation; and

"(ii) require disgorgement under paragraph (7) of any unjust enrichment by the person who received such unjust enrichment as a result of such violation."; and

(C) in subparagraph (B)—

(i) in clause (i), in the first sentence, by striking "the penalty" and inserting "a civil penalty imposed under subparagraph (A)(i)";

(ii) in clause (ii), by striking "amount of penalty" and inserting "amount of a civil penalty imposed under subparagraph (A)(i)"; and

(iii) in clause (iii), in the matter preceding item (aa), by striking "amount of penalty for each such violation" and inserting "amount of a civil penalty imposed under subparagraph (A)(i) for each violation described in that subparagraph";

(2) in paragraph (4), by inserting "under paragraph (7)" after "funds disgorged"; and

(3) by adding at the end the following:

"(7) DISGORGEMENT.—In any action or proceeding brought by the Commission under any provision of the securities laws, the Commission may seek, and any Federal court may order, disgorgement.

"(8) LIMITATIONS PERIODS.—

"(A) DISGORGEMENT.—The Commission may bring a claim for disgorgement under paragraph (7)—

"(i) not later than 5 years after the latest date of the violation that gives rise to the action or proceeding in which the Commission seeks the claim occurs; or

"(ii) not later than 10 years after the latest date of the violation that gives rise to the action or proceeding in which the Commission seeks the claim if the violation involves conduct that violates—

"(I) section 10(b);

"(II) section 17(a)(1) of the Securities Act of 1933 (15 U.S.C. 77q(a)(1));

"(III) section 206(1) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–6(1)); or

"(IV) any other provision of the securities laws for which scienter must be established.

"(B) EQUITABLE REMEDIES.—The Commission may seek a claim for any equitable remedy, including for an injunction or for a bar, suspension, or cease and desist order, not later than 10 years after the latest date on which a violation that gives rise to the claim occurs.

"(C) CALCULATION.—For the purposes of calculating any limitations period under this paragraph with respect to an action or claim, any time in which the person against which the action or claim, as applicable, is brought is outside of the United States shall not count towards the accrual of that period.

"(9) RULE OF CONSTRUCTION.—Nothing in paragraph (7) may be construed as altering any right that any private party may have to maintain a suit for a violation of this Act.".

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply with respect to any action or proceeding that is pending on, or commenced on or after, the date of enactment of this Act.

SEC. 6502. GAO AND TREASURY STUDIES ON BENEFICIAL OWNERSHIP INFORMATION REPORTING REQUIREMENTS.

(a) EFFECTIVENESS OF INCORPORATION PRACTICES STUDY.—Not later than 2 years after the effective date of the regulations promulgated under section 5336(b)(4) of title 31, United States Code, as added by section 6403(a) of this division, the Comptroller General of the United States shall conduct a study and submit to Congress a report assessing the effectiveness of incorporation practices implemented under this division, and the amendments made by this division, in—

(1) providing national security, intelligence, and law enforcement agencies with prompt access to reliable, useful, and complete beneficial ownership information; and

(2) strengthening the capability of national security, intelligence, and law enforcement agencies to—

(A) combat incorporation abuses and civil and criminal misconduct; and

(B) detect, prevent, or prosecute money laundering, the financing of terrorism, proliferation finance, serious tax fraud, or other crimes.

(b) USING TECHNOLOGY TO AVOID DUPLICATIVE LAYERS OF REPORTING OBLIGATIONS AND INCREASE ACCURACY OF BENEFICIAL OWNERSHIP INFORMATION.—

(1) IN GENERAL.—The Secretary, in consultation with the Attorney General, shall conduct a study to evaluate—

(A) the effectiveness of using FinCEN identifiers, as defined in section 5336 of title 31, United States Code, as added by section 6403(a) of this division, or other simplified reporting methods in order to facilitate a simplified beneficial ownership regime for reporting companies;

(B) whether a reporting regime, whereby only company shareholders are reported within the ownership chain of a reporting company, could effectively track beneficial ownership information and increase information to law enforcement;

(C) the costs associated with imposing any new verification requirements on FinCEN; and

(D) the resources necessary to implement any such changes.

(2) FINDINGS.—The Secretary shall submit to the relevant committees of jurisdiction—

(A) the findings of the study conducted under paragraph (1); and

(B) recommendations for carrying out the findings described in subparagraph (A).

(c) EXEMPT ENTITIES.—Not later than 2 years after the effective date of regulations promulgated under section 5336(b)(4) of title 31, United States Code, as added by section 6403(a) of this division, the Comptroller General of the United States, in consultation with the Secretary, Federal functional regulators, the Attorney General, the Secretary of Homeland Security, and the intelligence community, shall conduct a study and submit to Congress a report that—

(1) reviews the regulated status, related reporting requirements, quantity, and structure of each class of corporations, limited liability companies, and similar entities that have been explicitly excluded from the definition of reporting company and the requirement to report beneficial ownership information under section 5336 of title 31, United States Code, as added by section 6403(a) of this division;

(2) assesses the extent to which any excluded entity or class of entities described in paragraph (1) pose significant risks of money laundering, the financing of terrorism, proliferation finance, serious tax fraud, and other financial crime; and

(3) identifies other policy areas related to the risks of exempt entities described in paragraph (1) for Congress to consider as Congress is conducting oversight of the new beneficial ownership information reporting requirements established by this division and amendments made by this division.

(d) OTHER LEGAL ENTITIES STUDY.—Not later than 2 years after the effective date of the regulations promulgated under section

5336(b)(4) of title 31, United States Code, as added by section 6403(a) of this division, the Comptroller General of the United States shall conduct a study and submit to Congress a report—

(1) identifying each State that has procedures that enable persons to form or register under the laws of the State partnerships, trusts, or other legal entities, and the nature of those procedures;

(2) identifying each State that requires persons seeking to form or register partnerships, trusts, or other legal entities under the laws of the State to provide beneficial owners (as defined in section 5336(a) of title 31, United States Code, as added by section 6403 of this division) or beneficiaries of those entities, and the nature of the required information;

(3) evaluating whether the lack of available beneficial ownership information for partnerships, trusts, or other legal entities—

(A) raises concerns about the involvement of those entities in terrorism, money laundering, tax evasion, securities fraud, or other misconduct; and

(B) has impeded investigations into entities suspected of the misconduct described in subparagraph (A);

(4) evaluating whether the failure of the United States to require beneficial ownership information for partnerships and trusts formed or registered in the United States has elicited international criticism; and

(5) including what steps, if any, the United States has taken, is planning to take, or should take in response to the criticism described in paragraph (4).

SEC. 6503. GAO STUDY ON FEEDBACK LOOPS.

(a) DEFINITION.—In this section, the term "feedback loop" means feedback provided by the United States Government to relevant parties.

(b) STUDY.—The Comptroller General of the United States shall conduct a study on—

(1) best practices within the United States Government for feedback loops, including regulated private entities, on the usage and usefulness of personally identifiable information, sensitive-but-unclassified data, or similar information provided by the parties to United States Government users of the information and data, including law enforcement agencies and regulators; and

(2) any practice or standard inside or outside the United States for providing feedback through sensitive information and public-private partnership information sharing efforts, specifically related to efforts to combat money laundering and other forms of illicit finance.

(c) REPORT.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report containing—

(1) all findings and determinations made in carrying out the study required under subsection (b);

(2) with respect to each of paragraphs (1) and (2) of subsection (b), any best practice or significant concern identified by the Comptroller General, and the applicability to public-

private partnerships and feedback loops with respect to efforts by the United States Government to combat money laundering and other forms of illicit finance; and

(3) recommendations of the Comptroller General to reduce or eliminate any unnecessary collection by the United States Government of the information described in subsection (b)(1).

SEC. 6504. GAO CTR STUDY AND REPORT.

The Comptroller General of the United States shall—

(1) not later than January 1, 2025, commence a study of currency transaction reports, which shall include—

(A) a review, carried out in consultation with the Secretary, FinCEN, the Attorney General, the State attorneys general, and State, Tribal, and local law enforcement, of the effectiveness of the currency transaction reporting regime in effect as of the date of the study;

(B) an analysis of the importance of currency transaction reports to law enforcement; and

(C) an analysis of the effects of raising the currency transaction report threshold; and

(2) not later than December 31, 2025, submit to the Secretary and Congress a report that includes—

(A) all findings and determinations made in carrying out the study required under paragraph (1); and

(B) recommendations for improving the currency transaction reporting regime.

SEC. 6505. GAO STUDIES ON TRAFFICKING.

(a) DEFINITION OF HUMAN TRAFFICKING.—In this section, the term "human trafficking" has the meaning given the term "severe forms of trafficking in persons" in section 103 of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7102).

(b) GAO STUDY AND REPORT ON STOPPING TRAFFICKING, ILLICIT FLOWS, LAUNDERING, AND EXPLOITATION.—

(1) STUDY.—The Comptroller General of the United States shall carry out a study, in consultation with law enforcement, relevant Federal agencies, appropriate private sector stakeholders (including financial institutions and data and technology companies), academic and other research organizations (including survivor and victim advocacy organizations), and any other group that the Comptroller General determines is appropriate on—

(A) the major trafficking routes used by transnational criminal organizations, terrorists, and others, and to what extent the trafficking routes for people (including children), drugs, weapons, cash, child sexual exploitation materials, or other illicit goods are similar, related, or contiguous;

(B) commonly used methods to launder and move the proceeds of trafficking;

(C) the types of suspicious financial activity that are associated with illicit trafficking networks, and how financial institutions identify and report such activity;

(D) the nexus between the identities and finances of trafficked persons and fraud;

(E) the tools, guidance, training, partnerships, supervision, or other mechanisms that Federal agencies, including FinCEN, the Federal financial regulators, and

law enforcement, provide to help financial institutions identify techniques and patterns of transactions that may involve the proceeds of trafficking;

(F) what steps financial institutions are taking to detect and prevent bad actors who are laundering the proceeds of illicit trafficking, including data analysis, policies, training procedures, rules, and guidance;

(G) what role gatekeepers, such as lawyers, notaries, accountants, investment advisors, logistics agents, and trust and company service providers, play in facilitating trafficking networks and the laundering of illicit proceeds; and

(H) the role that emerging technologies, including artificial intelligence, digital identity technologies, distributed ledger technologies, virtual assets, and related exchanges and online marketplaces, and other innovative technologies, can play in assisting with and potentially enabling the laundering of proceeds from trafficking.

(2) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report—

(A) summarizing the results of the study required under paragraph (1); and

(B) that contains any recommendations for legislative or regulatory action that would improve the efforts of Federal agencies to combat trafficking or the laundering of proceeds from such activity.

(c) GAO STUDY AND REPORT ON FIGHTING ILLICIT NETWORKS AND DETECTING TRAFFICKING.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study on how a range of payment systems and methods, including virtual currencies in online marketplaces, are used to facilitate human trafficking and drug trafficking, which shall consider—

(A) how online marketplaces, including the dark web, may be used as platforms to buy, sell, or facilitate the financing of goods or services associated with human trafficking or drug trafficking, specifically, opioids and synthetic opioids, including fentanyl, fentanyl analogues, and any precursor chemical associated with manufacturing fentanyl or fentanyl analogues, destined for, originating from, or within the United States;

(B) how financial payment methods, including virtual currencies and peer-to-peer mobile payment services, may be utilized by online marketplaces to facilitate the buying, selling, or financing of goods and services associated with human trafficking or drug trafficking destined for, originating from, or within the United States;

(C) how virtual currencies may be used to facilitate the buying, selling, or financing of goods and services associated with human trafficking or drug trafficking, destined for, originating from, or within the United States, when an online platform is not otherwise involved;

(D) how illicit funds that have been transmitted online and through virtual currencies are repatriated into the

formal banking system of the United States through money laundering or other means;

(E) the participants, including State and non-State actors, throughout the entire supply chain that may participate in or benefit from the buying, selling, or financing of goods and services associated with human trafficking or drug trafficking, including through online marketplaces or using virtual currencies, destined for, originating from, or within the United States;

(F) Federal and State agency efforts to impede the buying, selling, or financing of goods and services associated with human trafficking or drug trafficking destined for, originating from, or within the United States, including efforts to prevent the proceeds from human trafficking or drug trafficking from entering the United States banking system;

(G) how virtual currencies and their underlying technologies can be used to detect and deter these illicit activities; and

(H) to what extent immutability and traceability of virtual currencies can contribute to the tracking and prosecution of illicit funding.

(2) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report—

(A) summarizing the results of the study required under paragraph (1); and

(B) that contains any recommendations for legislative or regulatory action that would improve the efforts of Federal agencies to impede the use of virtual currencies and online marketplaces in facilitating human trafficking and drug trafficking.

SEC. 6506. TREASURY STUDY AND STRATEGY ON TRADE-BASED MONEY LAUNDERING.

(a) STUDY REQUIRED.—

(1) IN GENERAL.—The Secretary shall carry out a study, in consultation with appropriate private sector stakeholders, academic and other international trade experts, and Federal agencies, on trade-based money laundering.

(2) CONTRACTING AUTHORITY.—The Secretary may enter into a contract with a private third-party entity to carry out the study required by paragraph (1).

(b) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report that includes—

(A) all findings and determinations made in carrying out the study required under subsection (a); and

(B) proposed strategies to combat trade-based money laundering.

(2) CLASSIFIED ANNEX.—The report required under paragraph (1)—

(A) shall be submitted in unclassified form; and

(B) may include a classified annex.

SEC. 6507. TREASURY STUDY AND STRATEGY ON MONEY LAUNDERING BY THE PEOPLE'S REPUBLIC OF CHINA.

(a) STUDY.—The Secretary shall carry out a study, which shall rely substantially on information obtained through the trade-based money laundering analyses conducted by the Comptroller General of the United States, on—

(1) the extent and effect of illicit finance risk relating to the Government of the People's Republic of China and Chinese firms, including financial institutions;

(2) an assessment of the illicit finance risks emanating from the People's Republic of China;

(3) those risks allowed, directly or indirectly, by the Government of the People's Republic of China, including those enabled by weak regulatory or administrative controls of that government; and

(4) the ways in which the increasing amount of global trade and investment by the Government of the People's Republic of China and Chinese firms exposes the international financial system to increased risk relating to illicit finance.

(b) STRATEGY TO COUNTER CHINESE MONEY LAUNDERING.—Upon the completion of the study required under subsection (a), the Secretary, in consultation with such other Federal agencies as the Secretary determines appropriate, shall develop a strategy to combat Chinese money laundering activities.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report containing—

(1) all findings and determinations made in carrying out the study required under subsection (a); and

(2) the strategy developed under subsection (b).

(d) CLASSIFIED ANNEX.—The report required by subsection (c)—

(1) shall be submitted in unclassified form; and

(2) may include a classified annex.

SEC. 6508. TREASURY AND JUSTICE STUDY ON THE EFFORTS OF AUTHORITARIAN REGIMES TO EXPLOIT THE FINANCIAL SYSTEM OF THE UNITED STATES.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary and the Attorney General, in consultation with the heads of other relevant national security, intelligence, and law enforcement agencies, shall conduct a study that considers how authoritarian regimes in foreign countries and their proxies use the financial system of the United States to—

(1) conduct political influence operations;

(2) sustain kleptocratic methods of maintaining power;

(3) export corruption;

(4) fund nongovernmental organizations, media organizations, or academic initiatives in the United States to advance the interests of those regimes; and

(5) otherwise undermine democratic governance in the United States and the partners and allies of the United States.

(b) REPORT.—Not later than 2 years after the date of enactment of this Act, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that contains—

(1) the results of the study required under subsection (a); and

(2) any recommendations for legislative or regulatory action, or steps to be taken by United States financial institutions, that would address exploitation of the financial system of the United States by foreign authoritarian regimes.

SEC. 6509. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Subsection (l) of section 310, of title 31, United States Code, as redesignated by section 6103(1) of this division, is amended by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—There are authorized to be appropriated to FinCEN to carry out this section, to remain available until expended—

"(A) $136,000,000 for fiscal year 2021;

"(B) $60,000,000 for fiscal year 2022; and

"(C) $35,000,000 for each of fiscal years 2023 through 2026.".

(b) BENEFICIAL OWNERSHIP INFORMATION REPORTING REQUIREMENTS.—Section 5336 of title 31, United States Code, as added by section 6403(a) of this division, is amended by adding at the end the following:

"(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to FinCEN for each of the 3 fiscal years beginning on the effective date of the regulations promulgated under subsection (b)(4), such sums as may be necessary to carry out this section, including allocating funds to the States to pay reasonable costs relating to compliance with the requirements of such section.".

SEC. 6510. DISCRETIONARY SURPLUS FUNDS.

The dollar amount specified under section 7(a)(3)(A) of the Federal Reserve Act (12 U.S.C. 289(a)(3)(A)) is reduced by $40,000,000.

SEC. 6511. SEVERABILITY.

If any provision of this division, an amendment made by this division, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this division, the amendments made by this division, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

DIVISION G—ELIJAH E. CUMMINGS COAST GUARD AUTHORIZATION ACT OF 2020

SEC. 8001. SHORT TITLE.

This division may be cited as the "Elijah E. Cummings Coast Guard Authorization Act of 2020".

SEC. 8002. DEFINITION OF COMMANDANT.

In this division, the term "Commandant" means the Commandant of the Coast Guard.