

Amending the Bank Secrecy Act to Require Reporting and Recordkeeping on Beneficial Ownership of Legal Entities

SEC. 1.—Reporting and Recordkeeping for Entities Formed in the United States.

(a) IN GENERAL.—Subchapter II of Chapter 53 of Title 31, United States Code, is amended by inserting after section 5332 the following:

“§ 5333. BENEFICIAL OWNERSHIP OF ENTITIES FORMED IN THE UNITED STATES

“(a) In General. -- The Secretary may require any United States entity to maintain records and file reports on the beneficial owners of such entity.

“(b) United States Entity Defined. -- For purposes of this section, a United States entity means an entity as the Secretary shall by regulation prescribe, other than a natural person,

- 1) created, organized, or qualified or registered to do business under the laws of any jurisdiction within the United States, and
- 2) that uses the mail, wire, or any facility in interstate or foreign commerce in its formation, transfer of ownership, or business activity.

“(c) Beneficial Owner Defined. -- The Secretary shall define beneficial owner for purposes of regulations implementing this section.

“(d) Reports or Records. -- United States entities that are required under this section to file reports shall file the reports at such time and in such manner as the Secretary may prescribe. Records shall be maintained under this section by the legal entity of the reports filed for a period of five years after the entity ceases to exist. Reports or records shall include names, addresses, unique identifying numbers, such as social security, tax identification, passport, and driver’s license numbers, and such other information, including information on the identity of any entity and individual who formed the United States entity as well as the identity of the individual who is submitting the report, as the Secretary may prescribe by regulation.

“(e) Civil Penalty. -- Any person who fails to comply with any requirement of this section or any regulation prescribed under this section shall be liable to the United States for a civil penalty of \$5,000 for each such violation. Each day a violation continues shall constitute a separate violation for purposes of this paragraph. The United States entity and any beneficial owner whose identity the United States entity was required to disclose in the report or record may be liable for the penalty. The penalty shall be assessed, mitigated, and collected in the manner provided in subsections (b) and (c) of section 5321 of this title.

Sec. 2.—GEOGRAPHIC TARGETING ORDERS.

Section 5326 of title 31, United States Code, is amended—

- (a) by deleting “coin and currency” after “domestic” in the title of the section;
- (b) by substituting “or to” for “and” after “subtitle” in paragraph (a);
- (c) by substituting “funds (as the Secretary may describe in such order)” for “United States coins or currency (or such other monetary instruments as the Secretary may describe in such order)” after “payment, receipt, or transfer of” in subparagraph (a)(1)(A); and
- (d) by substituting “funds (as the Secretary may describe in such order)” for “coins or currency (or such other monetary instruments as the Secretary may describe in such order)” after “any transaction involving” in subparagraph (b)(2).

Sec. 3.—EFFECTIVE DATE.

These amendments to Title 31, U.S. Code shall be effective on the date of enactment.