

119TH CONGRESS
1ST SESSION

S. 1995

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

IN THE SENATE OF THE UNITED STATES

JUNE 9, 2025

Mr. MARKEY (for himself, Ms. WARREN, and Mr. WHITEHOUSE) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

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

6 **SEC. 2. SENSE OF CONGRESS.**

7 It is the sense of Congress that—

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

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

16 (A) set a clear, Federal standard for incor-
17 poration practices;

18 (B) protect vital United States national se-
19 curity interests;

20 (C) protect interstate and foreign com-
21 merce;

22 (D) better enable critical national security,
23 intelligence, and law enforcement efforts to
24 counter money laundering, the financing of ter-
25 rorism, and other illicit activity; and

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

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

9 (4) the Secretary of the Treasury and the Ad-
10 ministrator should work with small business con-
11 cerns and other reporting companies to provide clar-
12 ity and minimize burdens on them while still gener-
13 ating a highly useful database;

14 (5) an overwhelming bipartisan majority of
15 Congress codified the provisions of paragraphs (1)
16 through (4) in the enactment of the Corporate
17 Transparency Act (title LXIV of division F of the
18 William M. (Mac) Thornberry National Defense Au-
19 thorization Act for Fiscal Year 2021 (Public Law
20 116–283; 134 Stat. 4604)); and

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

24 **SEC. 3. DEFINITIONS.**

25 In this Act:

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

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

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

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

16 (5) DIRECTOR.—The term “Director” means
17 the Director of FinCEN.

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

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

24 (8) RESOURCE PARTNER.—The term “resource
25 partner” means—

1 (A) a small business development center;

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

5 (C) Veteran Business Outreach Centers
6 described in section 32 of the Small Business
7 Act (15 U.S.C. 657b).

8 (9) SMALL BUSINESS CONCERN; SMALL BUSI-
9 NESS DEVELOPMENT CENTER.—The terms “small
10 business concern” and “small business development
11 center” have the meanings given those terms in sec-
12 tion 3 of the Small Business Act (15 U.S.C. 632).

13 **SEC. 4. MEMORANDUM OF UNDERSTANDING TO ENSURE**
14 **THE DISSEMINATION OF COVERED INFORMA-**
15 **TION.**

16 (a) MEETING.—Not later than 30 days after the date
17 of enactment of this Act, the Administrator and the Direc-
18 tor shall meet to discuss the contents of the memorandum
19 of understanding required by subsection (b).

20 (b) MEMORANDUM OF UNDERSTANDING.—Not later
21 than 90 days after the date of enactment of this Act, the
22 Administrator and the Director shall enter into a written
23 memorandum of understanding to jointly carry out the fol-
24 lowing activities:

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

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

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

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

21 (5) Hosting in-person town halls and
22 webinars—

23 (A) organized by the Administrator, acting
24 through national or regional offices of the Ad-
25 ministration;

1 (B) that feature presentations by FinCEN
2 staff on compliance with beneficial ownership
3 requirements; and

4 (C) that are advertised to reporting compa-
5 nies and trade associations and other entities
6 that represent small business concerns.

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

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

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

22 (d) MEETINGS.—Not later than 6 months after the
23 date on which the Director and Administrator enter into
24 a memorandum of understanding under subsection (b),
25 and every 6 months thereafter, the Director (or a des-

1 ignee) and the Administrator (or a designee) shall review
2 the following:

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

5 (2) Challenges associated with increasing the
6 number of reporting companies in compliance with
7 beneficial ownership requirements.

8 (3) Reasons provided by reporting companies to
9 covered agencies for failing to comply with beneficial
10 ownership requirements.

11 (4) Strategies for collaboration to address the
12 reasons described in paragraph (3).

13 (5) Any other topics the Director and the Ad-
14 ministrator determine necessary.

15 (e) COMPENSATION.—The Director (or a designee)
16 and the Administrator (or a designee) may not receive
17 compensation for attending a meeting required by sub-
18 section (d).

19 **SEC. 5. REPORTS.**

20 Not later than 30 days after the date on which the
21 Director and Administrator enter into a memorandum of
22 understanding under section 4(b), and every 30 days
23 thereafter, the Director and the Administrator shall jointly
24 submit to the Committees on Small Business and Entre-
25 preneurship and Banking, Housing, and Urban Affairs of

1 the Senate and the Committees on Small Business and
2 Financial Services of the House of Representatives a re-
3 port that includes the following:

4 (1) For the 30-day period preceding the date of
5 the report—

6 (A) a description of the actions taken
7 under the memorandum of understanding to
8 provide outreach to reporting companies that
9 are required to, but have failed to, comply with
10 beneficial ownership requirements;

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

18 (C) the number of reporting companies in
19 compliance with beneficial ownership require-
20 ments.

21 (2) A description of the actions the Director
22 and the Administrator plan to take under the memo-
23 randum of understanding during the 30-day period
24 following the date of the report to provide covered

- 1 information to reporting companies that have failed
- 2 to comply with beneficial ownership requirements.

