State Bank Regulators Need Access to Beneficial Ownership Information

BLOG POST

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FinCEN should be more explicit in its inclusion of state regulators as agencies that can request access to its forthcoming beneficial ownership information database, the Conference of State Bank Supervisors (CSBS) said in a comment letter submitted today.

The Corporate Transparency Act requires a wide range of entities to report their beneficial ownership information to FinCEN. It also tasks FinCEN with developing a beneficial ownership information database that other law enforcement and regulatory agencies, including state regulators, can access for compliance, investigative and enforcement purposes. This new system would help improve and enforce anti-money laundering and countering the financing of terrorism (AML/CFT) standards. It would also help prevent the use of privacy to hide illicit activity from law enforcement and government authorities.

State regulators strongly support these improvements to the AML/CFT framework. However, CSBS asks that FinCEN's final rule explicitly define state regulators so that there is no confusion about their ability to access BOI when examining state-chartered banks and non-depository trust companies for compliance with customer due diligence requirements under the Bank Secrecy Act (BSA). State regulators play a critical role in BSA supervision, conducting more than 1,200 BSA exams in 2021 alone.

CSBS also described how state regulators would be authorized to request beneficial ownership information on an as needed basis to aid their investigative and enforcement responsibilities for both state-chartered banks and state-licensed nonbank financial services providers.

For more on CSBS, go to www.csbs.org.