

United States G-8 Action Plan for Transparency of Company Ownership and Control

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Senate Seal

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06/18/13 — In response to the G-8 commitment for members to publish national action plans on transparency of company ownership and control, the United States commits to the following actions:

1. Risk Assessment: The United States is currently updating its national risk assessment, a public document assessing major money laundering conduits and methods, which will specifically address abuse of legal entities.
2. Advocate for Comprehensive Legislation: Continue to advocate for comprehensive legislation to require identification and verification of beneficial ownership information at the time a company is formed. One possible approach could include the following provisions:
 - Definition of Beneficial Owners – Define beneficial owner as a natural person who, directly or indirectly, exercises substantial control over a covered legal entity or has a substantial economic interest in, or receives substantial economic benefit from, such legal entity, subject to several exceptions.
 - Collection and Verification of Documentation – Include two

options for covering legal entities depending on whether the applicant forms the legal entity directly or uses a regulated company formation agent. Both cases would require the collection and verification of the documentation associated with beneficial ownership.

- Regulation of Company Formation Agents - Extend Anti-Money Laundering obligations to company formation agents, including an obligation to identify and verify beneficial ownership information.
 - Accessibility of Information – Ensure law enforcement authorities, including tax authorities, will be able to access beneficial ownership information upon appropriate request through a central registry at the state level. Although all states currently make some basic information available through public registries, states may choose to make beneficial ownership information publicly available.
 - Transfers – Mandate that entities update information filed with a State or a formation agent within 60 days following any change of beneficial owners.
 - Exemptions – Include, but not limit exemptions to, publically-traded companies in the U.S., federally regulated financial institutions, and operating companies meeting certain employee or revenue requirements.
- Liabilities – Mandate civil and criminal penalties for knowingly providing false information or documentation to a State or formation agent.
3. Clarify and Strengthen Customer Due Diligence Standards for U.S. Financial Institutions: The United States is currently engaged in

rulemaking to develop an explicit customer due diligence obligation for U.S. financial institutions, including a general requirement to identify the beneficial owners of legal entity customers.

International Cooperation: Assess the effectiveness of existing means for complying with requests for mutual legal assistance and other forms of international cooperation related to beneficial ownership of companies.

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