



July 18, 2023

The Honorable Patrick McHenry
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairman McHenry and Ranking Member Waters:

The U.S. Chamber of Commerce strongly supports H.R. 4035, the “Protecting Small Business Information Act 2023.” This important legislation would delay the Financial Crime Enforcement Network’s (FinCEN) implementation of the Corporate Transparency Act (CTA), providing FinCEN more time to ensure effective implementation and providing clarity for millions of American small businesses.

The Chamber supports FinCEN’s mission to protect national security by preventing and punishing money laundering, terrorist financing, and other illicit activities. We also support millions of small, law-abiding American businesses that, when it comes to regulation, need precise, appropriately tailored requirements and not one-size-fits-all mandates that can be overburdensome and detract from their ability to continue building generational wealth and a brighter future for their families and the United States. We are concerned, however, with FinCEN’s actions to-date to implement CTA in a manner in which 32 million small businesses are now potentially ensnared by burdensome reporting and record keeping with little benefit.

The CTA sought to “minimize the burden on reporting companies and to ensure that the information collected is accurate, complete, and highly useful.”¹ Striking the right balance between these objectives is a difficult task that hinges on the thoughtful implementation of three interconnected rules required under the CTA (“Beneficial Ownership Reporting Requirements,” the “Access Rule,” and amendments to the “Customer Due Diligence Rule”). Congress intended for these rules to simplify – not duplicate – beneficial ownership reporting by small businesses by allowing financial institutions to rely on FinCEN’s forthcoming beneficial ownership database to meet their Customer Due Diligence (CDD) requirements instead of collecting this information directly from their customers. Unfortunately, FinCEN’s efforts have thus far missed the mark.

The Protecting Small Business Information Act 2023 would require FinCEN to harmonize the effective dates of all three aforementioned rules. With less than six months until small businesses will be required to report beneficial ownership information to FinCEN, it is time for Congress to intervene. This legislation, by providing FinCEN more time to outline clear rules of the road for small businesses, would ensure that millions of honest small business owners do not suffer from unintended consequences.

Sincerely,

A handwritten signature in black ink that reads "William R. Hulse".

Bill Hulse
Senior Vice President
Center for Capital Markets Competitiveness
U.S. Chamber of Commerce

cc: Members of the House Committee on Financial Services

¹ <https://www.federalregister.gov/documents/2022/09/30/2022-21020/beneficial-ownership-information-reporting-requirements>