

THE U.S. ACTION PLAN TO IMPLEMENT THE G-20 HIGH LEVEL PRINCIPLES ON BENEFICIAL OWNERSHIP

In response to the G-20 commitment for members to take concrete action to implement the G-20 High Level Principles and improve the effectiveness of our legal, regulatory, and institutional frameworks with respect to beneficial ownership transparency, the United States commits to the following actions:

I. Publish National Risk Assessment: The United States published the U.S. national money laundering and terrorist financing risk assessments on June 12, 2015. These comprehensive reviews of the money laundering and terrorist financing threats, vulnerabilities and risks to the United States incorporate relevant information sources in order to help stakeholders understand the money laundering and terrorist financing risks facing the U.S. financial system. [INCLUDE LINKS]

II. Advocate for Comprehensive Legislation: The United States will continue to advocate for legislation that requires the collection of beneficial ownership information for all legal entities formed in the United States and makes such information readily available to law enforcement for money laundering and terrorist financing investigations. One possible approach could include the following provisions:

- Definition of Beneficial Owners - A natural person who, directly or indirectly, controls or manages a legal entity and its assets.
- Documentation - Requires the collection by competent authorities of current and accurate beneficial ownership information for all legal entities formed in the United States.
- Regulation of Company Formation Agents - Extends Anti-Money Laundering obligations to company formation agents.
- Accessibility of Information - Ensures law enforcement authorities, including tax authorities, will be able to access beneficial ownership information upon appropriate request.
- Transfers - Mandates that legal entities update information within a reasonable period of time after any change in beneficial owners.
- Liabilities - Mandates civil or criminal penalties for knowingly providing false information or documentation or not updating such materials to the relevant authorities.

III. 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 and verify the beneficial owners of legal entity customers.

IV. International Cooperation: The United States will 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.

V. Promoting Exchange of Tax Information to Combat Tax Evasion: The United States will continue to collect information regarding certain accounts maintained by U.S. financial institutions held by residents of partner countries and is committed to exchanging such

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information for tax administration purposes with the partner government, provided an appropriate international agreement and the appropriate safeguards and infrastructure for an effective exchange relationship are in place.

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