

**SUBSTITUTE AMENDMENT TO THE AMENDMENT IN
THE NATURE OF A SUBSTITUTE TO H.R. 2513
OFFERED BY MR. HILL OF ARKANSAS**

Strike all after the enacting clause and insert the
following:

1 SEC. 1. FILING OF BENEFICIAL OWNERSHIP INFORMATION.

2 (a) ANNUAL FILING REQUIREMENT.—Each corpora-
3 tion and limited liability company shall file an annual re-
4 port containing a list of the beneficial owners of the cor-
5 poration or limited liability company.

6 (b) FILING TO BE MADE AS PART OF TAX FILING.—

7 (1) IN GENERAL.—A filing required under sub-
8 section (a) shall be made with the return of tax im-
9 posed by chapter 1 of the Internal Revenue Code of
10 1986.

11 (2) FORWARDING TO FINCEN.—The Secretary
12 shall ensure that filings required under subsection
13 (a) are promptly forwarded by the Internal Revenue
14 Service to FinCEN.

15 (c) CONTENTS OF FILING.—Each filing required
16 under subsection (a) shall contain such information as the
17 Secretary determines appropriate.

1 (d) DISCLOSURE OF INFORMATION.—The Secretary
2 shall issue rules allowing for the disclosure of beneficial
3 ownership information by FinCEN reported pursuant to
4 this section to law enforcement agencies and financial in-
5 stitutions, in such manner and subject to such require-
6 ments as the Secretary determines necessary or appro-
7 priate.

8 (e) DEFINITIONS.—In this section:

9 (1) BENEFICIAL OWNER.—

10 (A) IN GENERAL.—Except as provided in
11 subparagraph (B), the term “beneficial owner”
12 means a natural person who, directly or indi-
13 rectly—

14 (i) owns 25 percent or more of the eq-
15 uity interests of a corporation or limited li-
16 ability company; or

17 (ii) otherwise exercises control over 25
18 percent or more of the equity interests of
19 a corporation or limited liability company
20 through any contract, arrangement, under-
21 standing, relationship, or otherwise, includ-
22 ing the creation or use of a trust, proxy,
23 power of attorney, pooling arrangement or
24 any other contract, arrangement, or device.

1 (B) EXCEPTIONS.—The term “beneficial
2 owner” shall not include—

3 (i) a minor child;

4 (ii) a person acting as a nominee,
5 intermediary, custodian, or agent on behalf
6 of another person;

7 (iii) a person acting solely as an em-
8 ployee of a corporation or limited liability
9 company and whose control over or eco-
10 nomic benefits from the corporation or lim-
11 ited liability company derives solely from
12 the employment status of the person;

13 (iv) a person whose only interest in a
14 corporation or limited liability company is
15 through a right of inheritance, unless the
16 person also meets the requirements of sub-
17 paragraph (A); or

18 (v) a creditor of a corporation or lim-
19 ited liability company, unless the creditor
20 also meets the requirements of subpara-
21 graph (A).

22 (2) CORPORATION; LIMITED LIABILITY COM-
23 PANY.—The terms “corporation” and “limited liabil-
24 ity company”—

1 (A) have the meanings given such terms
2 under the laws of the applicable State;

3 (B) include any non-United States entity
4 eligible for registration or registered to do busi-
5 ness as a corporation or limited liability com-
6 pany under the laws of the applicable State;

7 (C) do not include an entity that is—

8 (i) a business concern that is an
9 issuer of a class of securities registered
10 under section 12 of the Securities Ex-
11 change Act of 1934 (15 U.S.C. 781) or
12 that is required to file reports under sec-
13 tion 15(d) of that Act (15 U.S.C. 78o(d));

14 (ii) a business concern constituted or
15 sponsored by a State, a political subdivi-
16 sion of a State, under an interstate com-
17 pact between two or more States, by a de-
18 partment or agency of the United States,
19 or under the laws of the United States;

20 (iii) a depository institution (as de-
21 fined in section 3 of the Federal Deposit
22 Insurance Act (12 U.S.C. 1813));

23 (iv) a credit union (as defined in sec-
24 tion 101 of the Federal Credit Union Act
25 (12 U.S.C. 1752));

1 (v) a bank holding company (as de-
2 fined in section 2 of the Bank Holding
3 Company Act of 1956 (12 U.S.C. 1841));

4 (vi) a broker or dealer (as defined in
5 section 3 of the Securities Exchange Act of
6 1934 (15 U.S.C. 78c)) that is registered
7 under section 15 of the Securities Ex-
8 change Act of 1934 (15 U.S.C. 78o);

9 (vii) an exchange or clearing agency
10 (as defined in section 3 of the Securities
11 Exchange Act of 1934 (15 U.S.C. 78c))
12 that is registered under section 6 or 17A
13 of the Securities Exchange Act of 1934
14 (15 U.S.C. 78f and 78q-1);

15 (viii) an investment company (as de-
16 fined in section 3 of the Investment Com-
17 pany Act of 1940 (15 U.S.C. 80a-3)) or
18 an investment advisor (as defined in sec-
19 tion 202(11) of the Investment Advisors
20 Act of 1940 (15 U.S.C. 80b-2(11))), if the
21 company or adviser is registered with the
22 Securities and Exchange Commission, or
23 has filed an application for registration
24 which has not been denied, under the In-
25 vestment Company Act of 1940 (15 U.S.C.

1 80a-1 et seq.) or the Investment Advisor
2 Act of 1940 (15 U.S.C. 80b-1 et seq.);

3 (ix) an insurance company (as defined
4 in section 2 of the Investment Company
5 Act of 1940 (15 U.S.C. 80a-2));

6 (x) a registered entity (as defined in
7 section 1a of the Commodity Exchange Act
8 (7 U.S.C. 1a)), or a futures commission
9 merchant, introducing broker, commodity
10 pool operator, or commodity trading advi-
11 sor (as defined in section 1a of the Com-
12 modity Exchange Act (7 U.S.C. 1a)) that
13 is registered with the Commodity Futures
14 Trading Commission;

15 (xi) a public accounting firm reg-
16 istered in accordance with section 102 of
17 the Sarbanes-Oxley Act (15 U.S.C. 7212);

18 (xii) a public utility that provides tele-
19 communications service, electrical power,
20 natural gas, or water and sewer services,
21 within the United States;

22 (xiii) any entity that is described in
23 section 501(a), 527, or 4947(a)(1) of the
24 Internal Revenue Code of 1986, has not
25 been denied tax exempt status, and has

1 filed the most recently due annual informa-
2 tion return with the Internal Revenue
3 Service, if required to file such a return;

4 (xiv) any business concern that files a
5 tax return and—

6 (I) employs more than 20 em-
7 ployees on a full-time basis in the
8 United States;

9 (II) files income tax returns in
10 the United States demonstrating more
11 than \$5,000,000 in gross receipts or
12 sales; and

13 (III) has an operating presence
14 at a physical office within the United
15 States; or

16 (xv) any corporation or limited liabil-
17 ity company formed and owned by an enti-
18 ty described in clause (i), (ii), (iii), (iv),
19 (v), (vi), (vii), (viii), (ix), (x), (xi), (xii),
20 (xiii), or (xiv); and

21 (D) do not include any individual business
22 concern or class of business concerns which the
23 Secretary, with the written concurrence of the
24 Attorney General, has determined in writing
25 should be exempt from the requirements of sub-

1 section (a), because requiring beneficial owner-
2 ship information from the business concern
3 would not serve the public interest and would
4 not assist law enforcement efforts to detect,
5 prevent, or punish terrorism, money laundering,
6 tax evasion, or other misconduct.

7 (3) FINCEN.—The term “FinCEN” means the
8 Financial Crimes Enforcement Network of the De-
9 partment of the Treasury.

10 (4) SECRETARY.—The term “Secretary” means
11 the Secretary of the Treasury.

12 **SEC. 2. RULEMAKING; APPLICABILITY.**

13 (a) RULEMAKING.—Not later than the end of the
14 180-day period beginning on the date of enactment of this
15 Act, the Secretary shall issue rules to carry out this Act.

16 (b) APPLICABILITY.—The annual filing requirement
17 under section 2(a) shall apply on and after the date that
18 is 30 days after the effective date of the rules issued by
19 the Secretary under subsection (a).

