

March 20, 2023

RE: Beneficial Ownership Information Reports (FINCEN-2023-0002)

The Data Foundation is a non-profit organization that seeks to improve government and society by using data to inform public policymaking. Our Data Coalition project is America's premier voice on data policy, advocating for responsible policies to make government data high-quality, accessible, and usable.

In line with the goals of the Data Coalition, a member-based initiative of the Data Foundation, we applaud the Financial Crimes Enforcement Network's (FinCEN) move to collect beneficial ownership information (BOI) as a way to leverage data to improve government functions. BOI is a key requirement for financial transparency, and an important tool not only in fighting financial crime, but also improving financial regulation. We also applaud FinCEN's efforts to build a directory with interoperable and verifiable data.

Improving the financial regulatory system is a key factor in why the Financial Data Transparency Act, passed as a part of the FY 2023 National Defense Authorization Act (P.L. 117-263) amended the Financial Stability Act of 2010 (12 U.S.C. 5321 et seq) to require financial regulators to adopt a non-proprietary legal entity identifier that enables high quality data through schemas with accompanying machine readable metadata, among other requirements.

The Data Coalition recommends that in light of the passage of both the Corporate Transparency Act and the Financial Data Transparency Act, that FinCEN consult with the regulators as these are implemented to ensure that beneficial ownership information be interoperable, and have viable validation mechanisms. In the past, FinCEN questioned the usefulness of the GLEIF legal entity identifier on beneficial ownership disclosure form financial institutions submit to FinCEN.¹ However, these new laws have materially changed the reporting requirements on regulated entities, and so we ask FinCEN to revisit the possibility of adopting a legal entity identifier consistent with the Financial Data Transparency Act.

The Data Coalition encourages consultation and collaboration with regulators to help FinCEN leverage the requirements of the FDTA to effectively implement the CTA, ultimately creating a more robust financial data infrastructure that allows for more effective regulation and enforcement. We would welcome the opportunity to discuss the ways in which FDTA provisions can help ensure high quality BOI, as well as data best practices. Please reach out to me at corinna.turbes@datafoundation.org with any questions.

Sincerely,
Corinna Turbes
Policy Director

¹ "Could the Global Legal Entity Identifier Be Useful for Financial Transparency Legislation in the 116th Congress?" Congressional Research Service, October 22, 2019 <https://crsreports.congress.gov/product/pdf/IF/IF11341/2>