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U.S. Senate passes defense bill with anti-money laundering disclosure provisions

The U.S. Senate passed the conference agreement to H.R. 6395—a bill that provides spending authority for certain military and defense activities, by a vote of 84 to 13.

Earlier this week, the House of Representatives passed the conference agreement by a vote of 335 - 78.

Division F of the conference agreement includes anti-money laundering provisions, including provisions regarding disclosure of beneficial ownership.

Read text of [H.R. 6395](#)

According to a [joint explanatory statement](#) [PDF 5.4 MB], the agreement requires corporations, limited liability companies, and other similar entities formed, or registered to do business, in the United States to report their beneficial owners to the Treasury Department within certain time periods, “as a means to combat the abuse of anonymous companies, which can be used to facilitate money laundering, the financing of terrorism, proliferation finance, tax evasion, human and drug trafficking, sanctions evasion, and other financial crimes.”

The joint explanatory statement also indicates that the beneficial ownership information generally would be kept confidential, but would be made available to authorized government authorities and to financial institutions in certain cases and for certain purposes.

What's next?

The conference agreement will be sent to the president for his signature or veto. The White House has issued a [Statement of Administration Policy \(SAP\)](#) [PDF 84 KB] that indicates that the administration “strongly opposes” passage of the conference agreement (for reasons unrelated to the anti-money laundering provisions). The SAP further indicates that, if the agreement were presented to the president, his advisors would recommend he veto it.

Under the U.S. Constitution, a bill that has been vetoed generally can become law if two-thirds of the members of both the House and the Senate agree to pass it over the president's objection. No presidential vetoes of legislation have been overridden so far during the Trump Administration.

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