

September 7, 2016

The Honorable Jeb Hensarling
United States House of Representatives
2228 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Maxine Waters
United States House of Representatives
2221 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Michael Fitzpatrick
United State House of Representatives
2400 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Stephen Lynch
United States House of Representatives
2369 Rayburn House Office Building
Washington, D.C. 20515

Dear Representatives Hensarling, Waters, Fitzpatrick and Lynch:

We, the undersigned investors representing a more than \$740 billion in assets under management, are writing to express our strong support for the **Incorporation Transparency and Law Enforcement Assistance Act (H.R. 4450)**. The Act contains important provisions necessary for a more transparent business environment that upholds good corporate governance as a standard business practice, which investors rely on and expect.

The Incorporation Transparency and Law Enforcement Assistance Act would require companies to disclose information about the real people who own or control them (often called the “beneficial owners”) at the time they are created. Currently, in all 50 states companies can be created anonymously, effectively removing personal responsibility or accountability from the corporate equation. As a result, anonymously-owned American companies have been used by the criminal and corrupt to evade taxes, skirt sanctions and win U.S. government contracts in order to steal taxpayer dollars. They have been used to finance terrorist activities and launder earnings from the trafficking of human beings, drugs and weapons. This legislation would provide law enforcement with critical information to combat these types of criminal activities.

A company’s ability to conduct the necessary due diligence to understand the actors in its supply chains, partners and its own corporate structure is a basic component of its commitment to governance, and goes to the heart of its integrity and ethics. Legitimate business actors depend on a transparent business environment in order to shine, while small- and medium-sized businesses also seek a fairer and more level playing field.

Commercial actors need to know who they are doing business with, including investors who rely on access to reliable and accurate information in order to fulfil their own obligations as responsible

business actors. Opaque corporate structures are not just an obstacle for law enforcement, but also inhibit investors' ability to identify risks and constructively engage companies on progress toward more responsible conduct.

Given the complexity of global supply chains and corporate structures, we believe that companies failing to execute corporate governance procedures robustly are exposed to a wide range of risks, which could negatively impact shareholder value. Building on existing governance frameworks, companies should not be burdened by this legislation. This includes small businesses that should be able to identify ownership information, and one's inability to do so raises a serious red flag. In fact, in a [recent report](#), Fortune 500 business leaders have demonstrated how "the business impetus for beneficial ownership transparency goes beyond compliance, contributing to risk management, and even in some instances, competitive advantages." Some examples include the value of beneficial ownership information to an employer, as well as to identify and manage certain tax risks, and health and safety issues.

Overall secrecy is not conducive to successful investing or business. There is a real cost of corruption to investors, shareholders, small businesses, consumers and the general public, including the creation of a corporate culture that tolerates unethical behavior. Crimes, such as bribery, facilitated by hidden company ownership, can erode democratic institutions, rule of law and human rights protections. Recognizing the importance of this issue, international business leaders have stated that ending anonymous companies will mean more competitive markets, more stable financial systems and more sustainable development.

We encourage you to support the Incorporation Transparency and Law Enforcement Assistance Act to help provide law enforcement with the tools needed to fight crime and the criminals that rely on the anonymity of American companies. In the process, you will be helping to protect the millions of investors whose success is predicated upon the existence of transparent and accountable institutions.

Sincerely,

Bâtirente
Boston Common Asset Management
CtW Investment Group
Clean Yield Asset Management
Domini Social Investment LLC
Dominican Sisters of Hope
Hermes Equity Ownership Services
Hexavest
Inflection Point Capital Management
Local Authority Pension Fund Forum
Magni Global Asset Management LLC
Maryknoll Sisters
Mercy Investment Services, Inc.
Oblate International Pastoral Investment Trust
NorthStar Asset Management, Inc.
Sisters of Charity, BVM
Sisters of St. Dominic of Blauvelt, New York
Sisters of Saint Joseph of Chestnut Hill, Philadelphia, PA
Sisters of St. Francis of Philadelphia

Trillium Asset Management
Triodos Investment Advisory & Services BV
Ursuline Sisters of Tildonk, U.S. Province
Verka VK Kirchliche Vorsorge VVaG
Zevin Asset Management

cc:

The Honorable Peter T. King	The Honorable Mia Love
The Honorable Edward R. Royce	The Honorable French Hill
The Honorable Frank D. Lucas	The Honorable Tom Emmer
The Honorable Scott Garrett	The Honorable Carolyn B. Maloney
The Honorable Randy Neugebauer	The Honorable Nydia M. Velázquez
The Honorable Patrick T. McHenry	The Honorable Brad Sherman
The Honorable Stevan Pearce	The Honorable Gregory W. Meeks
The Honorable Bill Posey	The Honorable Michael E. Capuano
The Honorable Lynn A. Westmoreland	The Honorable Rubén Hinojosa
The Honorable Blaine Luetkemeyer	The Honorable Wm. Lacy Clay
The Honorable Bill Huizenga	The Honorable Stephen F. Lynch
The Honorable Sean P. Duffy	The Honorable David Scott
The Honorable Robert Hurt	The Honorable Al Green
The Honorable Steve Stivers	The Honorable Emanuel Cleaver
The Honorable Stephen Lee Fincher	The Honorable Gwen Moore
The Honorable Marlin A. Stutzman	The Honorable Keith Ellison
The Honorable Mick Mulvaney	The Honorable Ed Perlmutter
The Honorable Randy Hultgren	The Honorable James A. Himes
The Honorable Dennis A. Ross	The Honorable John C. Carney, Jr.
The Honorable Robert Pittenger	The Honorable Terri A. Sewell
The Honorable Ann Wagner	The Honorable Bill Foster
The Honorable Andy Barr	The Honorable Daniel T. Kildee
The Honorable Keith J. Rothfus	The Honorable Patrick Murphy
The Honorable Luke Messer	The Honorable John K. Delaney
The Honorable David Schweikert	The Honorable Kyrsten Sinema
The Honorable Frank Guinta	The Honorable Joyce Beatty
The Honorable Scott Tipton	The Honorable Denny Heck
The Honorable Roger Williams	The Honorable Juan Vargas
The Honorable Bruce Poliquin	