

# Regulatory Alert

## Regulatory Insights

December 2023

### Illicit Finance & Corruption: Treasury Actions

**KPMG Insights:**

- **Ongoing threats.** Treasury “redoubles” efforts to thwart illicit finance and national security threats posed by corruption.
- **New requirements.** New and anticipated regulations look to address illicit financial risks through beneficial ownership reporting and AML/CFT requirements.
- **International collaboration.** Cooperation with international standards setters and other jurisdictions to thwart corruption, money laundering, illicit finance, and sanctions evasion.

The U.S. Department of the Treasury releases a [fact sheet](#) outlining actions the agency has taken to prevent and disrupt illicit finance and national security threats posed by corruption since the issuance of the [U.S. strategy on countering corruption](#) in 2021. The fact

sheet highlights recent and on-going efforts across three main categories:

1. Preventing the laundering of corrupt proceeds
2. Holding corrupt actors accountable
3. Strengthening global anti-corruption efforts

**1. Preventing the laundering of corrupt proceeds.** Recent actions to address illicit finance risks include:

Action	Description	Related KPMG Regulatory Insights
<b>Implementing the Corporate Transparency Act (CTA)</b>	As of January 1, 2024, the CTA requires certain foreign and domestic companies operating in the U.S. to report their beneficial ownership information	<a href="#">Financial Crime: FinCEN final rule on beneficial ownership</a>
<b>Forthcoming rulemakings</b>	<ul style="list-style-type: none"> <li>— Access to and protection of beneficial ownership information</li> <li>— Customer due diligence requirements</li> </ul>	<a href="#">FinCEN proposal on beneficial ownership information access</a>

<p><b>Preventing the misuse of anonymous, all-cash purchases of residential real estate for money laundering purposes</b></p>	<p>FinCEN:</p> <ul style="list-style-type: none"> <li>— Is using the residential real estate Geographic Targeting Order (GTO) program to collect information about certain real estate transactions</li> <li>— Anticipates issuing a proposed rule in 2024 (addressing its 2021 ANPR)</li> </ul>	<p><a href="#">Countering corruption: Beneficial ownership, Real-estate transactions</a></p>
<p><b>Expanding AML/CFT requirements (anti-money laundering/countering the financing of terrorism)</b></p>	<p>Expected proposed rule in 2024 to expand AML/CFT requirements, including suspicious activity reporting obligations (SARs), to certain investment advisers</p>	<p><a href="#">Fall 2023 Regulatory Agendas: Key Federal Banking Agencies</a></p>
<p><b>Publishing “guidance, advisories, alerts, and analysis”</b></p>	<p>Aimed at helping financial institutions and the private sector better identify, disrupt, and report financial activity related to corrupt activities and kleptocracy.</p>	<p><a href="#">Russia-Ukraine War: Expanded U.S. Sanctions: FATF Action</a></p>

**2. Holding corrupt actors accountable.** Treasury is actively pursuing holding corrupt actors accountable by:

- Sanctioning more than 300 individuals and entities across thirty countries for corruption-related issues since the release of the U.S. Strategy on Countering Corruption. Targeted activities include bribery, extortion, abuse of office, misuse of public funds for private gain, kleptocracy, and activities of transnational criminal organizations and terrorist groups.
- Addressing Russian corruption, kleptocracy, and illicit finance through methods such as identifying and freezing more than \$58 billion worth of Russian assets in financial accounts and economic resources.
- Prioritizing prevention of sanctions evasion through designation of “financial facilitators and private enablers of public corruption” in 2024.

**3. Strengthening global anti-corruption efforts.**

- Collaborating with the FATF to revise international standards on the transparency and beneficial ownership of legal persons and legal arrangements

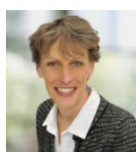
(to prevent and mitigate the misuse of corporate structures, trusts, and other mechanisms for criminal purposes) as well as international standards on asset recovery (to improve the recovery of criminal and corrupt proceeds).

- Encouraging FATF to take on projects to “bolster” global anti-corruption efforts, including an evaluation of members’ compliance with the international standards relating to “certain designated non-financial businesses and professions, such as accountants and lawyers”.
- Focusing on helping foreign countries identify and address deficiencies in their AML/CFT regimes, as well as encouraging cooperation on anti-corruption investigations and enforcement actions.

**Related KPMG Thought Leadership Materials:**  
Point of View | [Ten Key Regulatory Challenges of 2024: Threat Actors](#)

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