

The Honorable Scott Bessent
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Bessent:

The undersigned organizations, representing millions of Main Street businesses operating in every industry and community in America, urge the Department of the Treasury to immediately purge the Corporate Transparency Act (CTA) database of all beneficial ownership information submitted by domestic entities that are no longer required to file. Purging the database now will ensure this data is not misused or leaked in the future.

Earlier this year, the Administration took the important step of narrowing the CTA's scope to apply to foreign entities only. That action provided much-needed relief to over 32 million domestic businesses swept into a regime intended to target international money laundering and terrorism financing, not law-abiding American business owners.

Before Treasury corrected course, some 16 million domestic entities had complied with the CTA's reporting requirements. These beneficial owners' sensitive personal information – including their names, addresses, and passport or driver's license numbers – remains in a database managed by the Financial Crimes Enforcement Network, exposing them to ongoing cybersecurity and unauthorized disclosure risks.

The legal landscape surrounding the CTA reinforces the urgency of this request. There are now twelve federal cases challenging the validity of the CTA, including two that have ruled at the District Court level that the CTA is unconstitutional -- *National Small Business United v. Yellen* and *Small Business Association of Michigan v. Yellen* in the Western District of Michigan. While the Eleventh Circuit recently reversed the *NSBA* ruling, that case is headed to the Supreme Court and the constitutional questions surrounding the CTA are far from settled.

Given this legal uncertainty and the fact that domestic businesses are no longer subject to the CTA's reporting requirements, the continued retention of their data serves no legitimate government purpose.

We were encouraged when FinCEN Director Andrea Gacki testified that the agency "intend[s] to resolve questions around the data that we have collected, and dispose of data that is no longer legally required." Director Gacki further committed to finalizing the interim rule "in the upcoming year." While we appreciate these intentions, Main Street businesses need certainty and a concrete timeline for when their information will be purged.

More than 90 members of Congress echoed these concerns in a September letter, stating unequivocally: "This data must be immediately destroyed to protect the privacy of small business owners." We agree. The longer the Treasury Department delays, the greater the risk there will be misuse of this sensitive information.

Main Street businesses deserve certainty and to know their personal information will not be “warehoused” indefinitely awaiting a new Administration and a change in policy. The undersigned organizations urge you to act swiftly to protect American businesses by purging the CTA database now.