

As we said of the USA….

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As I have noted, there was a US Senate hearing today on a bill designed to require the identification of the beneficial ownership of US corporate entities in front of the Senate Committee on Homeland Security and Governmental Affairs. The US Treasury testimony was given by Assistant Secretary for Terrorist Financing David S. Cohen. His [testimony is here](#).

The core of it is this:

At the outset, it is important to recognize a number of key considerations that have informed our thinking:

First, the ability of criminal and other illicit actors to form corporations in the United States without disclosing their true identity presents a serious vulnerability. It creates a pathway for criminal actors to gain access to the international financial system, and creates significant obstacles in our ability to investigate financial crime. As I will explain, there is ample evidence that criminal organizations and others who threaten our national security exploit this vulnerability.

Second, information on the true beneficial ownership of a legal entity — at the time a business is formed, as ownership changes during its lifespan, and when it seeks to open accounts at financial institutions — is critical to stopping the exploitation of legal entities by criminal actors.

Third, the challenge of enhancing access to the beneficial ownership information of legal entities is complex and requires a global solution. While we work within the Administration and with Congress to address this issue domestically, Treasury is also working with our foreign counterparts to improve global understanding and capability to address this challenge worldwide.

Fourth, in seeking to make beneficial ownership information available in ways that effectively address the misuse of legal entities, we are keenly aware of the need to preserve an efficient and straightforward entity formation process in the United States, and not to create unnecessary impediments to accessing the financial system for the

vast majority of new and existing businesses that pose no threat whatsoever.

Finally, because we are starting from a situation in which beneficial ownership information is not required at the time of company formation, we believe that even incremental progress in this area is likely to yield substantial positive results.

I think there are two things to say in response. First, anyone who thinks the Tax Justice Network was wrong to name the USA / Delaware as the leading location for opacity in the world financial system should now be silenced.

Second, his points two to five justify all that we have said in the [Financial Secrecy Index](#) and at secrecyjurisdictions.com.

Times are changing. And I am quite convinced that beneficial ownership data on public record will become the public norm, eventually.