



**Week Ending 3-22-24**

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### **Congressional Overview**

With funding for portions of the federal government set to expire at the end of the week, Congressional leaders reached a funding agreement for the six remaining FY24 appropriations bills. Those six bills include: Defense, Financial Services, Homeland Security, Labor-HHS-Education, Legislative Branch, and State-Foreign Operations. The House Freedom Caucus and other conservatives in the House came out in opposition to the spending package, but it ultimately passed with bipartisan support. This package will wrap the appropriations process for FY 24. Congress will be in its Easter/Spring recess until April 9.

### **FCA International Calls for Delaying the Implementation of the Corporate Transparency Act (CTA)**

FCA International, along with 125 organizations, sent a letter to the Senate Banking Committee Chairs urging them to delay the filing deadlines of the Corporate Transparency Act (CTA) by passing S. 3625, the Protect Small Business and Prevent Illicit Financial Activity Act, introduced by Sen. Tim Scott (R-SC). The companion to this legislation (H.R. 5119) was adopted by the House of Representatives on a bipartisan vote of 420-1 on Dec. 12, 2023.

A one-year delay of the CTI's filing deadline would allow the court process to work its way through the Appellate and Supreme Courts. This process began with the recent decision in National Small Business Association v. Yellen. Such a delay would be consistent with congressional intent, which aims to give covered entities two years to comply with the CTA's reporting requirements. Additionally, it would provide the business community and the Financial Crimes Enforcement Network (FinCEN) with additional time. This is crucial for educating millions of small business owners about the new reporting requirements and the severe penalties for non-compliance.

The CTA was developed and passed with the intention of curbing illicit financial activities. However, it has evolved into a complex regulatory challenge affecting America's smallest businesses. It subjects covered entities and their "beneficial owners" to vague and complex reporting requirements, while putting their sensitive information at risk. Failure to comply with the new statute, even in cases amounting to nothing more than a paperwork violation, can result in stiff fines and criminal penalties.

### **SCOTUS Hears Arguments in Case that would Limit the Government's Ability to Communicate with Social Media Companies**

The U.S. Supreme Court appeared ready to allow Biden administration officials to communicate with social media companies, as multiple justices sounded skeptical that the government violated free speech rights when it encouraged the removal of posts with misinformation. The justices heard oral arguments over a ruling from a U.S. Court of Appeals that, if allowed to go into effect, would sharply limit the government's ability to communicate with internet giants like Meta, Google and X, the company formerly known as Twitter. The lower court injunction, in a lawsuit brought by the states of Missouri and Louisiana along with a handful of social media users, would block government agencies from engaging in "coercion" or "significant encouragement" of social media platforms to censor views the government disfavored.

### **Senate Armed Services Chairman Urges Passage of Supplemental Aid Package for U.S. Allies**

According to Senate Armed Services Chairman Jack Reed (D-RI), the Defense Department will be in 'unknown country' if Congress does not pass supplemental funding for Ukraine, Israel and Taiwan. The Chairman implored the House to pass a \$95.3 billion aid package (H.R. 815), suggesting that the Pentagon will face budgetary challenges without the influx of funding. Defense officials have said the department faces a deficit of roughly \$10 billion after sending equipment to Ukraine, with no way to fill the gap unless Congress acts.

Chairman Reed also pointed out that funding in the supplemental would go mostly to American companies, stating, "...one of the things about the supplemental is that the vast majority of the money is going to American companies to produce American equipment that will go to our military... If we don't pass [the supplemental], it's not only going to disadvantage our military forces, it's going to disadvantage our military industrial base.