

# ALASKA STATE LEGISLATURE

## House Labor & Commerce Committee



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### **Sponsor Statement**

House Bill 405

**"An Act relating to the establishment of trusts; requiring the filing of certain trust information; and requiring compliance with a federal law."**

HB 405 updates Alaska law to ensure trusts in Alaska will not be used to shield assets of Russian oligarchs or other enemies of the United States. The bill provides for greater transparency of ownership information – it protects the confidential nature of trusts, while allowing for specific disclosure to state and federal regulators.

The invasion of the sovereign nation of Ukraine by Russia's military leave Alaskans wondering if their U.S. dollars are being used to finance Russia's expansionist war effort. Congress and numerous states have worked quickly since February 24 to rebuke Russia's efforts & cut off economic ties with the aggressor.

Reports suggest that Alaska is one of five U.S. states whose trust laws could allow some of the world's most corrupt and violent leaders, including the oligarchs of Russia, to hide their wealth in trusts.

Reforms in federal law, most recently the 2021 Corporate Transparency Act, have given the U.S. Treasury greater authority to crack down on webs of international financial secrecy that benefit enemies of the United States. By adding individuals to the Specially-Designated Nationals and Blocked Persons List, the U.S. Treasury cuts ties with those engaged in money-laundering, corruption, tax evasion, and the financing of terrorism. Since February 24, hundreds more individuals named as key associates of Russian President Vladimir Putin have been added to the list managed by the Office of Foreign Asset Control. If the invasion of Ukraine continues, we can expect more names to be added to the list.

HB 405 ensures state trust law is consistent with federal transparency requirements

Most individuals who engage with trusts and estates in Alaska are law-abiding U.S. citizens. An elderly family member planning their estate ought to be able to continue that process without unnecessary government interference. HB 405 will continue to allow law-abiding Alaskans to use trusts while ensuring foreign aggressors can not hide their wealth in Alaska.