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DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

31 CFR Part 1010.380

RIN 1506-AB49

**Beneficial Ownership Information Reporting Requirement Revision and Deadline
Extension**

AGENCY: Financial Crimes Enforcement Network (FinCEN), Treasury.

ACTION: Interim final rule; request for comments.

SUMMARY: FinCEN is adopting this interim final rule to narrow the existing beneficial ownership information (BOI) reporting requirements under the Corporate Transparency Act (CTA) to require only entities previously defined as “foreign reporting companies” to report BOI. Under this interim final rule, entities previously defined as “domestic reporting companies” are exempted from the reporting requirements and do not have to report BOI to FinCEN, or update or correct BOI previously reported to FinCEN. With limited exceptions, the interim final rule does not change the existing requirement for foreign reporting companies to file BOI reports, but it extends the deadline to file initial BOI reports, and to update or correct previously filed BOI reports, to 30 days from the date of this publication to give foreign reporting companies additional time to comply. However, the interim final rule exempts foreign reporting companies from having to report the BOI of any U.S. persons who are beneficial owners of the foreign reporting company and exempts U.S. persons from having to provide such information to any foreign reporting company for which they are a beneficial owner. FinCEN is

accepting comments on this interim final rule. FinCEN will assess the exemptions, as appropriate, in light of those comments and intends to issue a final rule this year.

DATES: This rule is effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Written comments must be received on or before [INSERT DATE 60 DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Comments may be submitted by any of the following methods:

- Federal E-rulemaking Portal: <https://www.regulations.gov>. Follow the instructions for submitting comments. Refer to Docket Number FINCEN-2025-0001, the Office of Management and Budget (OMB) control number 1506-0076, and Regulatory Identification Number (RIN) 1506-AB49.
- Mail: Policy Division, Financial Crimes Enforcement Network, P.O. Box 39, Vienna, VA 22183. Refer to Docket Number FINCEN-2025-0001, OMB control number 1506-0076 and RIN 1506-AB49.

FOR FURTHER INFORMATION CONTACT: FinCEN’s Regulatory Support Section by submitting an inquiry at www.fincen.gov/contact.

SUPPLEMENTARY INFORMATION:

I. Background

On January 1, 2021, Congress enacted into law the CTA as part of the broader Anti-Money Laundering Act of 2020.¹ Section 6403 of the CTA, among other things, amends the Bank Secrecy Act (BSA) by adding a new section 5336, Beneficial Ownership Information Reporting Requirements, to subchapter II of chapter 53 of title 31, United States Code. This

¹ The CTA is Title LXIV of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Public Law 116-283 (2021) (NDAA). The Anti-Money Laundering Act of 2020—which includes the CTA—is Division F, sections 6001–6511, of the NDAA.

section established new BOI reporting requirements for many corporations, limited liability companies, and other similar entities operating in the United States. The CTA excludes from that general definition, however, specified categories of businesses. The CTA also authorizes the Secretary of the Treasury (Secretary) to exempt any other “entity or class of entities” for which the Secretary, with the written concurrence of the Attorney General and the Secretary of Homeland Security, has, by regulation, determined that “requiring beneficial ownership information from the entity or class of entities . . . would not serve the public interest” and “would not be highly useful in national security, intelligence, and law enforcement agency efforts to detect, prevent, or prosecute money laundering, the financing of terrorism, proliferation finance, serious tax fraud, or other crimes.”² In addition, section 5318(a)(7) of the BSA provides that the Secretary may make appropriate exemptions from a requirement in the BSA or regulations prescribed under the BSA.³ Taken together, these provisions authorize the issuance of regulations that may provide additional exemptions from the requirements of the CTA.

The CTA requires the Secretary to prescribe regulations to implement the CTA’s reporting requirements. For most reporting companies, the CTA authorized the Secretary to allow up to two years from the regulation’s effective date for reporting companies to file their initial BOI reports. The Secretary has delegated these and other CTA-implementing responsibilities to FinCEN, a bureau of the Department of the Treasury (Treasury).⁴

² 31 U.S.C. 5336(a)(11)(B)(xxiv).

³ 31 U.S.C. 5318(a)(7).

⁴ The Secretary delegated the authority to implement, administer, and enforce the BSA and its implementing regulations to the Director of FinCEN. See Treasury Order 180-01, paragraph 3(a) (Jan. 14, 2020), *available at* <https://home.treasury.gov/about/general-information/orders-and-directives/treasury-order-180-01>; see also 31 U.S.C. 310(b)(2)(I) (providing that FinCEN Director “[a]dminister the requirements of subchapter II of chapter 53 of this title, chapter 2 of title I of Public Law 91-508, and section 21 of the Federal Deposit Insurance Act, to the extent delegated such authority by the Secretary”).

On September 30, 2022, FinCEN published the Beneficial Ownership Information Reporting Requirements final rule (Reporting Rule), implementing the CTA’s reporting requirements (31 U.S.C. 5336(b)). The Reporting Rule became effective on January 1, 2024, and is codified in FinCEN’s regulations at 31 CFR 1010.380.⁵ Section 1010.380 requires certain corporations, limited liability companies, and other similar entities (reporting companies)⁶ to report certain identifying information about the reporting companies themselves, the beneficial owners who own or control them, and, for companies created on or after January 1, 2024, the company applicants who form or register them.⁷

Section 1010.380 previously required domestic reporting companies and foreign reporting companies⁸ created or registered to do business in the United States before the rule’s effective date of January 1, 2024, to file initial BOI reports with FinCEN by January 1, 2025, one year after the effective date of the regulations.⁹ Domestic reporting companies created in 2024 and those foreign reporting companies registered to do business in the United States in 2024 had 90 days to file their initial BOI reports with FinCEN.¹⁰ Starting on January 1, 2025, section 1010.380 provided all reporting companies created or registered on or after that date with 30 days to file their initial reports.

⁵ FinCEN, *Beneficial Ownership Information Reporting Requirements*, 87 FR 59498 (Sept. 30, 2022). On November 30, 2023, FinCEN also issued a final rule amending the Reporting Rule to extend the filing deadline for reporting companies created or registered in 2024. FinCEN, *Beneficial Ownership Information Reporting Deadline Extension for Reporting Companies Created or Registered in 2024*, 88 FR 83499 (Nov. 30, 2023).

⁶ See 31 U.S.C. 5336(a)(11).

⁷ See ⁷ FinCEN, *Beneficial Ownership Information Reporting Requirements*, 87 FR 59498 (Sept. 30, 2022), at 59498–99; 31 CFR 1010.380(b)(2)(iv).

⁸ A domestic reporting company was previously defined at 31 CFR 1010.380(c)(1)(i) as “a corporation; a limited liability company; or other entity that is created by the filing of a document with a secretary of state or any similar office under the law of a state or Indian tribe.” A foreign reporting company was defined at 31 CFR 1010.380(c)(1)(ii) as “a corporation, limited liability company, or other entity that is formed under the law of a foreign country and that is registered to do business in the United States by the filing of a document with a secretary of state or equivalent office under the law of a state or Indian tribe.”

⁹ 31 CFR 1010.380(a)(1)(iii).

¹⁰ FinCEN, *Beneficial Ownership Information Reporting Deadline Extension for Reporting Companies Created or Registered in 2024*, 88 FR 83499 (Nov. 30, 2023), at 83504.

The January 1, 2025, deadline previously established in FinCEN’s regulations has changed in light of litigation challenging the CTA. In two cases, district courts issued universal orders that preliminarily enjoined FinCEN from implementing and enforcing the CTA and the Reporting Rule or stayed the effective date of section 1010.380 on a nationwide basis.¹¹ First, on December 3, 2024, in *Texas Top Cop Shop, Inc. v. Bondi*, the U.S. District Court for the Eastern District of Texas, Sherman Division, issued an order that preliminarily enjoined the government from enforcing the CTA and stayed its implementing regulation’s reporting deadlines.¹² The government appealed and separately sought a stay of the district court’s order pending that appeal, and on January 23, 2025, the Supreme Court granted a stay pending appeal of that order.¹³ Second, on January 7, 2025, in *Smith v. U.S. Department of the Treasury*, the U.S. District Court for the Eastern District of Texas, Tyler Division, issued a similar preliminary order that prevented the government from enforcing the CTA against the plaintiffs and stayed the effective date of the implementing regulation during the pendency of that litigation.¹⁴ The government appealed and sought a stay of this order, which the district court granted on February 18, 2025. The district court’s stay of its order lifted the last remaining nationwide order preventing FinCEN from implementing and enforcing the CTA and section 1010.380.

Recognizing that the reporting deadlines set by section 1010.380 for many companies had already passed while those deadlines were stayed by court order and that companies would need additional time to comply, FinCEN extended the reporting deadlines for most reporting

¹¹ Two other district courts have issued more limited orders that enjoined FinCEN from enforcing the CTA against the parties in those cases. See *Nat’l Small Bus. United v. Yellen*, 721 F. Supp. 3d 1260 (N.D. Ala. 2024); *Small Bus. Ass’n of Michigan v. Yellen*, No. 1:24-cv-314, 2025 WL 704287 (W.D. Mich. Mar. 3, 2025). Secretary Bessent has automatically been substituted as the defendant in those cases.

¹² See *Texas Top Cop Shop, Inc. v. Garland*, No. 4:24-cv-00478, 2024 WL 4953814 (E.D. Tex. Dec. 3, 2024). Attorney General Bondi has automatically been substituted as the defendant in this case.

¹³ See *McHenry v. Texas Top Cop Shop, Inc.*, 145 S. Ct. 1 (2025).

¹⁴ See *Smith v. U.S. Dep’t of the Treasury*, No. 6:24-cv-00336, 2025 WL 41924 (E.D. Tex. Jan. 7, 2025).

companies until March 21, 2025.¹⁵ In addition, FinCEN announced that during the 30-day extension period, it would “assess its options to further modify deadlines, while prioritizing reporting for those entities that pose the most significant national security risks.”¹⁶ On March 2, 2025, Treasury announced the suspension of enforcement of the CTA against U.S. citizens, domestic reporting companies, and their beneficial owners, and Treasury further announced its intent to engage in a rulemaking to narrow the Reporting Rule to foreign reporting companies only.¹⁷

II. The Interim Final Rule

A. Overview of Rule

FinCEN is exercising the authority under 31 U.S.C. 5336(a)(11)(B)(xxiv) to exempt domestic reporting companies from the Reporting Rule and the authority under 31 U.S.C. 5318(a)(7) to exempt foreign reporting companies from having to report the BOI of any U.S. persons who are beneficial owners of the foreign reporting company, as well as to exempt U.S. persons from having to provide such information to the foreign reporting companies for which they are a beneficial owner. Related to the second exemption, FinCEN is also exercising the authority under 31 U.S.C. 5318(a)(7) to revise the special rule associated with foreign pooled investment vehicles to exempt such entities from having to report the BOI of U.S. persons who exercise substantial control over the entity.

First, this interim final rule exempts all domestic reporting companies, and their beneficial owners, from the requirement to file initial BOI reports, or to update or correct

¹⁵ See FinCEN Notice, FIN-2025-CTA1, *FinCEN Extends Beneficial Ownership Information Reporting Deadline by 30 Days; Announces Intention to Revise Reporting Rule*, (Feb. 18, 2025), available at <https://www.fincen.gov/sites/default/files/shared/FinCEN-BOI-Notice-Deadline-Extension-508FINAL.pdf>.

¹⁶ *Id.*

¹⁷ Treasury, *Treasury Department Announces Suspension of Enforcement of Corporate Transparency Act Against U.S. Citizens and Domestic Reporting Companies* (Mar. 2, 2025), available at <https://home.treasury.gov/news/press-releases/sb0038>.

previously filed BOI reports, by excluding domestic companies from the scope of the term “reporting company,” pursuant to a determination made by the Secretary under 31 U.S.C. 5336(a)(11)(B)(xxiv). The rule text provides for this change by redefining the term “reporting company” at 31 CFR 1010.380(c) to remove the previously defined term “domestic reporting company” at 31 CFR 1010.380(c)(1)(i). By taking this step, any entity that meets the definition of the previously defined term “domestic reporting company” is no longer within the scope of the Reporting Rule. Moreover, FinCEN is adding an exemption to the list of exempted entities at 31 CFR 1010.380(c)(2). This exemption is applies to “any entity that is: (A) a corporation, limited liability company, or other entity; and (B) created by the filing of a document with a secretary of state or any similar office under the law of a State or Indian tribe.”

Second, this interim final rule exempts foreign reporting companies, and their U.S. person beneficial owners, from the requirement to provide the BOI of any U.S. persons who are beneficial owners of the foreign reporting company. The rule text provides for this change by adding an exemption at 31 CFR 1010.380(d)(4)(i): “Reporting companies are exempt from the requirement in 31 U.S.C. 5336 and this section to report the beneficial ownership information of any U.S. persons who are beneficial owners.” It also adds an exemption at 31 CFR 1010.380(d)(4)(ii): “U.S. persons are exempt from the requirements in 31 U.S.C. 5336 and this section to provide beneficial ownership information with respect to any reporting company for which they are a beneficial owner.” Foreign reporting companies that only have beneficial owners that are U.S. persons will be exempt from the requirement to report any beneficial owners.

Related to the second exemption, this interim final rule revises the special rule associated with foreign pooled investment vehicles at 31 CFR 1010.380(a)(b)(2)(iii) to exempt foreign

pooled investment vehicles from having to report the BOI of U.S. persons who exercise substantial control over the entity. Under the special rule, foreign pooled investment vehicles that would be a reporting company but for the exemption at 31 CFR 1010.380(c)(2)(xviii), and are formed under the laws of a foreign country, are required to report beneficial ownership information solely with respect to an individual who exercises substantial control over the entity. If more than one individual exercises substantial control over the entity, the entity is required to report information with respect to the individual who has the greatest authority over the strategic management of the entity. FinCEN has revised the rule text such that foreign pooled investment vehicles must report the BOI of an individual who exercises substantial control over the entity if that individual is not a U.S. person. If more than one individual exercises substantial control over the entity and at least one of those individuals is not a U.S. person, the entity must report information with respect to the individual who is not a U.S. person who has the greatest authority over the strategic management of the entity. If there is no individual with substantial control who is not a U.S. person, the foreign pooled investment vehicle is not required to report any beneficial owners.

This interim final rule otherwise retains the requirement for foreign reporting companies, and their beneficial owners (excluding U.S. persons), to report their BOI to FinCEN, while extending the deadline for those companies to file initial BOI reports, or update or correct

previously filed BOI reports, to 30 days after the date of this publication or 30 days after their registration to do business in the United States, whichever comes later.

FinCEN is accepting comments on this interim final rule. FinCEN will assess the exemptions, as appropriate, in light of those comments and intends to issue a final rule this year.

B. Exempting Domestic Companies

The CTA recognizes that BOI reporting requirements impose burdens on businesses. The CTA therefore directs the Secretary to “minimize burdens on reporting companies associated with the collection of the information ... in light of the private compliance costs placed on legitimate businesses.”¹⁸ The CTA also authorizes the Secretary to exempt from the reporting requirements “any entity or class of entities” if the Secretary, with the written concurrence of the Attorney General and the Secretary of Homeland Security, determines that “requiring beneficial ownership information from the entity or class of entities . . . would not serve the public interest” and “would not be highly useful in national security, intelligence, and law enforcement agency efforts to detect, prevent, or prosecute money laundering, the financing of terrorism, proliferation finance, serious tax fraud, or other crimes.”¹⁹

In issuing the Reporting Rule, FinCEN estimated the burdens imposed on businesses. FinCEN estimated the total aggregate labor costs for reporting companies filing initial BOI reports in the first year of the Reporting Rule to be \$21.7 billion and for reporting companies filing initial BOI in future years to be \$3.3 billion annually.²⁰ FinCEN estimated the total aggregate labor costs for reporting companies filing updated BOI reports in the first year to be \$1.0 billion and in future years to be \$2.3 billion.²¹ Estimates for the five-year average cost were

¹⁸ See 31 U.S.C. 5336(b)(1)(F)(iii).

¹⁹ See *id.*, at (b)(1)(A)(xxiv).

²⁰ FinCEN, *Beneficial Ownership Information Reporting Requirements*, 87 FR 59498 (Sept. 30, 2022), at 59490.

²¹ *Id.*

\$6.9 billion for initial reports and \$2.0 billion for updated reports.²² FinCEN also noted that many comments stated that “the proposed reporting requirements are excessively onerous” and “focused on how the proposed reporting requirements might negatively affect small businesses.”²³ FinCEN further noted that multiple comments stated that “costs to comply with the proposed reporting requirements would hurt small businesses during financially difficult times.”²⁴ While explaining that it “is sensitive to concerns from small businesses about having to comply with a new set of regulations, and has endeavored to minimize unnecessary compliance burdens,” FinCEN recognized that achieving the CTA’s goal of collecting information that is “highly useful” while “minimiz[ing] burden on reporting companies” requires a “delicate balance.”²⁵

On January 20, 2025, there was a change in presidential administrations, which has resulted in a reassessment of the balance struck by the Reporting Rule. On January 31, 2025, President Trump issued Executive Order (E.O.) 14192, *Unleashing Prosperity Through Deregulation*, which announced an Administration policy “to significantly reduce the private expenditures required to comply with Federal regulations to secure America’s economic prosperity and national security and the highest possible quality of life for each citizen” and “to alleviate unnecessary regulatory burdens placed on the American people.” Consistent with the exemptive authority provided in the CTA and the direction of the President, the Secretary has

²² *Id.*

²³ *Id.* at 59550.

²⁴ *Id.*

²⁵ *Id.*

reassessed the balance between the usefulness of collecting BOI and the regulatory burdens imposed by the scope of the Reporting Rule.

The Secretary, with the written concurrence of the Attorney General and the Secretary of Homeland Security, has determined for purposes of this interim final rule that the reporting of BOI by domestic reporting companies and their beneficial owners “would not serve the public interest” and “would not be highly useful in national security, intelligence, and law enforcement agency efforts to detect, prevent, or prosecute money laundering, the financing of terrorism, proliferation finance, serious tax fraud, or other crimes.” The Secretary is aware that most domestic reporting companies that are not already covered by a statutory exemption are small businesses and that any regulations affecting them must recognize this fact. As the preamble to the Reporting Rule states, “[s]mall businesses are a backbone of the U.S. economy, accounting for a large share of U.S. economic activity, and driving U.S. innovation and competition.” The vast majority of domestic small businesses are legitimate and owned by hard-working American taxpayers who are not engaged in illicit activity. The Secretary has assessed that exempting them would ensure that the Reporting Rule is appropriately tailored to advance the public interest, considering the burdens imposed by the regulations without sufficient benefits. The Attorney General and the Secretary of Homeland Security have concurred that collecting BOI from domestic reporting companies would not be “highly useful in national security, intelligence, and law enforcement agency efforts.” The Secretary’s determination is also consistent with the direction of the President, including as set forth in E.O. 14192, *Unleashing Prosperity Through Deregulation*.

In conducting this reassessment, the Secretary has considered that failure to require BOI reporting by domestic reporting companies could result in illicit finance risks, as Treasury has

acknowledged. For example, the preamble to the Reporting Rule noted that Treasury's 2022 National Money Laundering Risk Assessments identified lack of timely access to BOI as a key weakness within the U.S. anti-money laundering/countering the financing of terrorism (AML/CFT) regulatory regime.²⁶ The preamble to the Reporting Rule also noted that while FinCEN's 2016 customer due diligence rule increased transparency by requiring covered financial institutions to collect a legal entity customer's BOI at the time of an account opening,²⁷ it did not address the collection of BOI at the time of a legal entity's creation, and BOI collected at the time of a legal entity's creation provides additional insight into the original beneficial owners of the entity.²⁸ The Secretary has taken illicit finance risks into account in considering the usefulness of collecting BOI, the burdens such collection imposes on the public, and the public interest. Additionally, the Secretary has considered alternative sources of information to mitigate risks. For example, the continuing requirement for covered financial institutions to collect a legal entity customer's BOI at the time of account opening will serve to mitigate certain illicit finance risks associated with exempting domestic reporting companies from reporting their BOI.

Consistent with 31 U.S.C. 5336(a)(11)(B)(xxiv), and after conferring with the Department of Justice and the Department of Homeland Security and receiving written concurrences from the Attorney General and the Secretary of Homeland Security, the Secretary has directed FinCEN to issue this interim final rule exempting domestic reporting companies and their beneficial owners from the reporting requirements imposed through the Reporting Rule. The Secretary has also directed FinCEN to solicit comments on the approach taken in this

²⁶ FinCEN, *Beneficial Ownership Information Reporting Requirements*, 87 FR 59498 (Sept. 30, 2022), at 59506.

²⁷ FinCEN, *Customer Due Diligence Requirements for Financial Institutions*, 81 FR 29398 (May 11, 2016) (codified in relevant part at 31 CFR 1010.230).

²⁸ FinCEN, *Beneficial Ownership Information Reporting Requirements*, 87 FR 59498 (Sept. 30, 2022), at 59502.

interim final rule; the Secretary and FinCEN will assess this exemption, as appropriate, in light of those comments, and FinCEN intends to issue a final rule this year.

C. Reporting by Foreign Reporting Companies

Foreign reporting companies, however, present heightened national security and illicit finance risks and different concerns about regulatory burdens. Congress, through certain provisions in the CTA, recognized these heightened concerns about national security and illicit finance risks posed by foreign ownership or foreign control of reporting companies. Congress thus limited certain CTA exemptions to companies that are exclusively domestic. For example, the CTA requires that an entity be a “United States person” and be “beneficially owned or controlled exclusively by 1 or more United States persons that are United States citizens or lawfully admitted for permanent residence” to qualify for the BOI reporting exemption for entities assisting a tax-exempt entity, 31 U.S.C. 5336(a)(11)(B)(xx). In addition, the CTA states that the inactive entity reporting exemption, 31 U.S.C. 5336(a)(11)(B)(xxiii), is available only if an entity is not “owned by a foreign person, whether directly or indirectly, wholly or partially.” These exemptions reflect Congress’s intent to establish narrow, zero-threshold bars for foreign-owned or foreign-controlled entities, given heightened risks posed by companies with foreign ownership or control.

Throughout the rulemaking process implementing the CTA’s reporting requirements, FinCEN has emphasized the risks of foreign illicit actors accessing the U.S. financial system through the use of legal entities created in foreign jurisdictions but registered to do business in the United States. For example, FinCEN noted that “[c]orrupt foreign officials, sanctions evaders, and narco-traffickers, among others, exploit the current gap in the U.S. BOI reporting regime to park their ill-gotten gains in a stable jurisdiction, thereby exposing the United States to

serious national security threats.”²⁹ FinCEN highlighted specific examples of significant criminal investigations into the use of shell companies throughout the world to launder money or evade sanctions imposed by the United States, including sanctions evasion by Iran through shell companies abroad.

Furthermore, on February 4, 2025, President Trump issued a National Security Presidential Memorandum (NSPM) addressing Iranian “behavior [that] threatens the national interest of the United States.”³⁰ This NSPM directs the Secretary to:

maintain countermeasures against Iran at the Financial Action Task Force, evaluate beneficial ownership thresholds to ensure sanctions deny Iran all possible illicit revenue, and evaluate whether financial institutions should adopt a “Know Your Customer’s Customer” standard for Iran-related transactions to further prevent sanctions evasion.³¹

Requiring BOI reporting by foreign reporting companies is consistent with the actions regarding beneficial ownership that this NSPM directs the Secretary to take to address the national security threat arising from Iran.

The Financial Action Task Force (FATF)³² Report on the Concealment of Beneficial Ownership has also found that shell companies can be used in complex structures involving the distribution of assets across multiple companies in multiple jurisdictions. When these structures are used for illicit purposes, money may flow through multiple layers of shell companies before

²⁹ See, e.g., FinCEN, Notice of Proposed Rulemaking, *Beneficial Ownership Information Reporting Requirements*, 86 FR 69920, 69928 (Dec. 8, 2021).

³⁰ White House, *National Security Presidential Memorandum/NSPM-2* (Feb. 4, 2025), available at <https://www.whitehouse.gov/presidential-actions/2025/02/national-security-presidential-memorandum-nspm-2/>.

³¹ *Id.*

³² The FATF, of which the United States is a founding member, is an international, inter-governmental task force whose purpose is the development and promotion of international AML/CFT standards and the effective implementation of legal, regulatory, and operational measures to combat money laundering, terrorist financing, the financing of proliferation, and other related threats to the integrity of the international financial system. The FATF assesses over 200 jurisdictions against its minimum standards, known as FATF Recommendations.

finally being withdrawn in cash or transferred to its final destination internationally. Of the cases analyzed by FATF that included shell companies, the majority included a corporation located in a foreign jurisdiction.³³ Foreign companies registered to do business in the United States therefore pose a heightened risk to U.S. national security.

At the same time, foreign companies present fewer concerns regarding regulatory burdens that would not serve the public interest. Foreign companies are subject to the Reporting Rule only if they register to do business in the United States, thereby already filing a document in the United States. Moreover, E.O. 14192 announces a policy “to alleviate unnecessary regulatory burdens placed on the American people.” The policy direction to minimize regulatory burdens placed on the American people can be achieved by exempting foreign reporting companies from having to report the BOI of any U.S. persons who are beneficial owners of the foreign reporting company.

Consistent with the CTA’s stated purposes, the CTA’s exclusion of foreign reporting companies from certain other exemptions, the risks identified above, and the relative burdens, the Secretary has determined that exempting foreign companies would not serve the public interest. FinCEN is therefore continuing to require foreign reporting companies to report their BOI, except with respect to U.S. person beneficial owners. Foreign reporting companies that only have beneficial owners that are U.S. persons will be exempt from the requirement to report any beneficial owners.

The Secretary has determined for purposes of this interim final rule that it would be appropriate to exempt U.S. persons from having to provide BOI and, accordingly, to exempt foreign reporting companies from having to report the BOI of any U.S. persons who are

³³ FATF, *2018 Concealment of Beneficial Ownership* (July 2018), p. 29, available at <https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/FATF-Egmont-Concealment-beneficial-ownership.pdf.coredownload.pdf>.

beneficial owners of a foreign reporting company. The Secretary has assessed that exempting U.S. persons' BOI would ensure that the Reporting Rule is appropriately tailored to advance the public interest, considering the burdens imposed by the regulations without sufficient benefits. The Secretary's determination is also consistent with the direction of the President, including as set forth in E.O. 14192, *Unleashing Prosperity Through Deregulation*. In making this determination, the Secretary has considered that exempting reporting companies from reporting U.S. persons' BOI could result in risks of evasion or illicit finance risks.

Consistent with 31 U.S.C. 5318(a)(7), the Secretary has therefore directed FinCEN to issue this interim final rule exempting foreign reporting companies from having to report the BOI of any U.S. persons who are beneficial owners of a foreign reporting company. The Secretary has also directed FinCEN to solicit comments on the approach taken in this interim final rule; the Secretary and FinCEN will assess this exemption, as appropriate, in light of those comments, and FinCEN intends to issue a final rule this year. In addition, FinCEN has decided to provide foreign companies with an additional 30 days to comply with the reporting requirements, recognizing that the reporting deadlines had been stayed by court order and were then extended by FinCEN, and that foreign companies will need advance notice of the new deadline.

III. Basis for Issuing an Interim Final Rule

FinCEN has determined that an interim final rule is the appropriate mechanism to exempt domestic reporting companies and U.S. persons who are beneficial owners of foreign reporting companies from the BOI reporting requirements pending the receipt of comments and issuance of a final rule. This approach accommodates both the Secretary's direction and principles of public participation in regulatory action.

First, FinCEN finds that, to the extent that prior notice and solicitation of public comment would otherwise be required, the need to expeditiously exempt domestic reporting companies and U.S. persons who are beneficial owners of foreign reporting companies satisfies the “good cause” exception in 5 U.S.C. 553(b)(B). The Administrative Procedure Act (APA) authorizes agencies to issue regulations without notice and public comment when an agency finds, for good cause, that notice and comment is “impracticable, unnecessary, or contrary to the public interest,” 5 U.S.C. 553(b)(B). Reporting companies and their beneficial owners were, under existing regulations, required to comply with the BOI reporting requirements by January 1, 2025. Now, in response to developments in ongoing litigation, they currently face a March 21, 2025, deadline to comply with BOI reporting requirements. The purpose of this rule is to exempt domestic reporting companies and U.S. persons who are beneficial owners of foreign reporting companies from those requirements. Although public comment will be solicited and a final rule will be issued this year, soliciting public comment before providing the exemptions would be impractical, as FinCEN could not—and would not have been able to—provide notice, solicit public comments, and review those comments before the March 21, 2025, deadline. Providing prior public notice would therefore subject domestic reporting companies and U.S. persons who are beneficial owners of foreign reporting companies to compliance costs during the pendency of this rulemaking that could ultimately prove unnecessary when the rule is finalized, which would frustrate the purpose of this rule.

However, this rulemaking still accommodates the principles of public participation because the Secretary and FinCEN intend to review the public comments, assess the exemptions, as appropriate, in light of those comments, and issue a final rule this year, within the existing statutory period that the CTA affords for FinCEN to set reporting deadlines. The CTA provides

FinCEN discretion to extend the BOI reporting deadlines for most reporting companies until two years after the January 1, 2024, effective date of the Reporting Rule—as far out as January 1, 2026.³⁴ The exemption for domestic reporting companies provided in this interim final rule therefore serves to suspend any reporting requirements within this statutorily authorized period while the rule is finalized during that period. This suspension must be effective immediately to prevent companies from being required to report before a final rule is issued.

In addition, FinCEN finds that prior notice and public comment are unnecessary because this interim final rule does not impose new burdens, but rather exempts domestic reporting companies and U.S. persons who are beneficial owners of foreign reporting companies from reporting requirements.

Finally, FinCEN finds that proceeding through an interim final rule will most appropriately address the public confusion about the Reporting Rule’s deadlines that has arisen because the Reporting Rule’s deadlines had been stayed by court order when they originally passed. FinCEN thus determines that the most appropriate mechanism to provide for the exemptions just discussed pending issuance of a final rule in light of the pressing deadline, to avoid imposing immediate compliance costs on domestic reporting companies and U.S. persons in contradiction to the rule’s purpose, and to minimize and expeditiously resolve this period of confusion, while still allowing for public participation, is this interim final rule providing for 60 days for public comment thereafter.

FinCEN invites interested parties to submit comments on the issues raised in this interim final rule within 60 days of its publication to the extent that public comment is needed to inform whether domestic reporting companies and U.S. persons who are beneficial owners of foreign

³⁴ See 31 U.S.C. 5336(b)(1)(B).

reporting companies should be exempted from the BOI reporting requirements. Comments submitted in response to this interim final rule will be considered and addressed when a final rule, with changes if warranted, is issued.

IV. Effective Date

This rule does not impose any new obligations, but rather exempts domestic reporting companies and U.S. persons who are beneficial owners of foreign reporting companies from the Reporting Rule requirements, and it relaxes the deadlines for reporting obligations for foreign reporting companies. Thus, this rule may be immediately effective under 5 U.S.C. 553(d)(1) as a “substantive rule which grants or recognizes an exemption or relieves a restriction.” For the same reason, a delayed effective date is unnecessary: because this interim final rule exempts domestic reporting companies and U.S. persons who are beneficial owners of foreign reporting companies from the Reporting Rule requirements, rather than imposes obligations, the public does not need time to prepare to comply with it. Moreover, as explained in Section III, delaying the effective date of this rule would be impractical and unnecessary. FinCEN therefore finds good cause for making this rule effective immediately upon publication in the *Federal Register*, as permitted by 5 U.S.C. 553(d)(3).

V. Compliance with Other Authorities

A. Executive Orders 12866 and 13563

Executive Orders 12866 and 13563 direct agencies to assess costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, and public health and safety effects; distributive impacts; and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and

promoting flexibility. It has been determined that this regulation is an economically significant regulatory action as defined in section 3(f)(1) of Executive Order 12866. Accordingly, this interim final rule has been reviewed by OMB.

As discussed above, FinCEN remains mindful of the “delicate balance”³⁵ that exists between the anticipated benefits and the costs imposed by requirements to report BOI. In promulgating this interim final rule, FinCEN anticipates certain changes, of varying magnitude, to both expected benefits and costs—with some easier to quantify than others. Each are discussed in turn below.

FinCEN further notes that, because portions of its regulatory impact analysis consider economic benefits and costs across the various parties it can reasonably expect to be affected by the rule,³⁶ whereas other portions limit the analysis of costs incurred to specific regulatory stakeholders,³⁷ certain differences in the accounting treatment of costs may arise.³⁸ Where relevant to the analysis, the discussion below makes note of the distinctions in treatment of costs.

1. Anticipated Changes to Expected Benefits

FinCEN has historically considered the benefits of BOI reporting to a variety of affected parties, including law enforcement, other users of BOI data, and the general macroeconomy,³⁹ and has taken into consideration the extent to which benefits may change as a consequence of the

³⁵ See *supra* note 25.

³⁶ See, e.g., Sections V.A and D.

³⁷ See, e.g., *infra* Section V.D.

³⁸ For example, to the extent that the costs to collect BOI that would have been borne by a reporting company would be foregone, but the information would nevertheless need to be collected for business purposes (such as the opening of a bank account or covered other financial transaction) the cost of information production would only decrease, in an economic sense, if the party completing the work instead can do so at lower cost than the originally assigned party.

³⁹ See FinCEN, *Beneficial Ownership Information Reporting Requirements*, 87 FR 59498 (Sept. 30, 2022); see also FinCEN, Notice of Proposed Rulemaking, *Beneficial Ownership Information Access and Safeguards, and Use of FinCEN Identifiers for Entities*, 87 FR 77404, 77425 (Dec. 16, 2022).

interim final rule's reduction in scope.⁴⁰

FinCEN acknowledges that, while more intelligence might be collected in the absence of this deregulatory effort, it is unclear that the marginal benefits of the BOI that will no longer be reported would be comparable to the value of similar entities to which the reporting requirements still apply. As FinCEN has not yet been able to conduct the kinds of robust quantitative analysis necessary to estimate the incremental value of such intelligence, it recognizes that its estimated values to date have been partially speculative, albeit informed by feedback from both domestic and international partners in law enforcement and national security.

FinCEN anticipates that other parties may experience reduced benefits as a consequence of the change in scope. This would include parties, such as financial institutions and other affected parties⁴¹ whose access to BOI data would consequently provide information about fewer legal entities. The extent to which reducing the scope of reporting companies would reduce the benefits of access to BOI data would, to some extent, depend on the relative informational value of the companies that would be newly exempt from reporting versus the informational value that would continue to be reported. Similarly, the reduction in expected benefits may, in some cases, be attenuated by the availability of alternative sources of similar beneficial ownership information (e.g., commercially available information) to the extent that such sources can be treated as substitutes as opposed to complements.⁴² FinCEN invites comments, particularly those including data, descriptions of costs and business practices, and studies, that would

⁴⁰ To the extent that certain parties would have incurred direct costs in connection with reporting their BOI and would no longer be required to do so under the interim final rule, the estimated value of this private benefit is not treated as benefit of the IFR, but is included in the discussion of changes to expected costs below and further described in Section V.D.

⁴¹ See FinCEN, Notice of Proposed Rulemaking, *Beneficial Ownership Information Access and Safeguards, and Use of FinCEN Identifiers for Entities*, 87 FR 77404, 77425 (Dec. 16, 2022).

⁴² The Reporting Rule did not provide an estimate of the relative value of alternative sources relative to the BOI data required to be reported by the Reporting Rule.

facilitate quantitative estimates of these economic benefits.

2. Anticipated Changes to Expected Costs

By reducing the number of companies that would be required to report their BOI to FinCEN, the corresponding costs associated with original reports, associated applications for FinCEN identifiers (both company and personal), and subsequent revisions or updates would be significantly reduced. FinCEN expects the primary value of the modification in scope provided by this interim final rule to be realized in the form of reduced costs.

As noted above, the expected costs of the rule originally included, but were not limited to: \$21.7 billion in initial reporting costs in year 1 (\$3.3 billion annually on average in each subsequent year) and \$1.0 billion in year 1 updating costs (\$2.3 billion expected to be incurred for similar activities in each subsequent year). Correspondingly, estimates for the five-year average cost per year were \$6,996,732,512 for initial reports and \$2,033,391,518 for updated reports. Because these costs applied a different framework under which pro forma accounting costs were expected to accrue, it is therefore necessary for FinCEN to account for the sunk costs of companies that have already reported their BOI when estimating the expected reduction in future costs. Based on calendar year 2024 data, FinCEN estimates that approximately 40 percent of expected year 1 costs have already accrued; therefore, the maximum reduction in costs that the interim final rule would enable is approximately \$13.6 billion associated with first year activities of coming into reporting compliance. On a going-forward basis, FinCEN estimates that, on average the costs associated with the interim final rule would be approximately \$9 billion lower per year.⁴³

B. Regulatory Flexibility Act

⁴³ See Section V.D.

The Regulatory Flexibility Act (RFA), Public Law 96-354, applies only to rules for which an agency publishes a general notice of proposed rulemaking (NPRM) pursuant to 5 U.S.C. 553(b).⁴⁴ This rule is being immediately published as an interim final rule; it was not preceded by an NPRM. Therefore, the RFA does not apply to it.

Furthermore, because this rule exempts legal entities that would otherwise have been domestic reporting companies and U.S. persons who otherwise would have been required to report BOI, the compliance burdens originally estimated in connection with BOI reporting requirements will no longer apply to a substantial number of U.S. businesses⁴⁵ or to certain U.S. persons in their individual capacities as beneficial owners of foreign reporting companies. The RFA would not apply to regulatory burdens incurred in this capacity.⁴⁶

C. Unfunded Mandates Reform Act

Section 202 of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104–4, requires that an agency prepare a budgetary impact statement before promulgating a rule that includes a Federal mandate that may result in new, incremental expenditures by State, local, and Tribal governments, in the aggregate, or by the private sector, of \$184 million or more in any one year.⁴⁷ FinCEN has determined that this rule will not result in increased expenditures by State, local, and Tribal governments, or by the private sector, of \$184 million or more. Accordingly, FinCEN has not prepared a budgetary impact statement or specifically addressed regulatory

⁴⁴ See generally 5 U.S.C. 601 *et seq.*

⁴⁵ RFA analysis is only required if a regulation meets both of two criteria: (1) the impact of the rule must be economically significant; and (2) the rule must affect a substantial number of small U.S. entities.

⁴⁶ The RFA applies regulatory effects on only three types of entities: (1) small businesses; (2) small nonprofits; and (3) small governmental jurisdictions. Individuals impacted in their capacity as natural persons are not included in these categories.

⁴⁷ The U.S. Bureau of Economic Analysis reported the annual value of the gross domestic product deflator in 1995 (the year in which UMRA was enacted) as 66.939; and in 2023 as 123.273. See U.S. Bureau of Economic Analysis, “Table 1.1.9. Implicit Price Deflators for Gross Domestic Product” (accessed Sept. 16, 2024). Thus, the inflation adjusted estimate for \$100 million is 123.273 divided by 66.939 and then multiplied by 100, or \$184.157 million.

alternatives.

D. Paperwork Reduction Act

The provisions of the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13, and its implementing regulations imposes certain requirements on federal agencies in connection with their conducting or sponsoring any collection of information as defined by the PRA. Under the PRA, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number.⁴⁸

The reporting requirements contained in the Reporting Rule were approved by OMB in accordance with the PRA under OMB control number 1506-0076. In this interim final rule, FinCEN is exercising the authority under 31 U.S.C. 5336(a)(11)(B)(xxiv) to exempt domestic reporting companies from BOI reporting requirements and the authority under 31 U.S.C. 5318(a)(7) to exempt foreign reporting companies from having to report the BOI of any U.S. persons who are beneficial owners of the foreign reporting company, as well as to exempt U.S. persons from having to provide such information to the foreign reporting companies for which they are a beneficial owners. Related to the second exemption, FinCEN is also exercising the authority under 31 U.S.C. 5318(a)(7) to revise the special rule associated with foreign pooled investment vehicles to exempt such entities from having to report the BOI of U.S. persons who exercise substantial control over the entity.

FinCEN has revised estimates for the reporting requirements in the Reporting Rule based on the changes made by this interim final rule.

1. BOI Reports

OMB Control Number: 1506-0076.

⁴⁸ 44 U.S.C. Chapter 35; 5 CFR part 1320.

Reporting Requirements: In accordance with the CTA, the rule retains a reporting requirement on foreign reporting companies to file with FinCEN reports that identify the entities' beneficial owners, and in certain cases their company applicants.⁴⁹ The report must also contain information about the entity itself. The reporting company must certify that the report is true, correct, and complete. The rule also continues to require foreign reporting companies to update the information in these reports as needed, and correct any previous incorrectly reported information, within specific timeframes. The collected information will be maintained by FinCEN and made accessible to authorized users.

Frequency: As required.⁵⁰

Description of Affected Public: Entities that are: (1) corporations, limited liability companies, or other entities; (2) formed under the law of a foreign country; and (3) registered to do business in any State or Tribal jurisdiction by the filing of a document with a secretary of state or any similar office under the laws of a State or Indian tribe. The rule does not require corporations, limited liability companies, or other entities that are described in any of 24 specific exemptions to file BOI reports.

Estimated Number of Respondents: 11,667 reporting companies per year, on average.⁵¹

Estimated Time per Respondent: As discussed in the Reporting Rule, the time burden for filing initial BOI reports will vary depending on the complexity of the reporting company's structure. FinCEN therefore estimates a range of time burden associated with filing an initial BOI report to

⁴⁹ 31 U.S.C. 5336(b); 31 CFR 1010.380(b).

⁵⁰ For BOI reports, there is an initial filing and subsequent filings; the latter are required as information changes or if previously reported information was incorrect.

⁵¹ This estimate is based on a three-year average that assumes all reporting companies that were previously expected to have a reporting obligation, and would retain an obligation under the interim final rule, but did not already file a BOIR with FinCEN in calendar year 2024 (approximately 0.6 percent of the total original population, or 20,000 reporting companies) would come into compliance in year one and that approximately 5,000 new reporting companies would file their first report in each of years one through three.

account for the likely variance among reporting companies. FinCEN estimates the average burden of reporting BOI as 90 minutes per response for reporting companies with simple beneficial ownership structures (40 minutes to read the form and understand the requirement, 30 minutes to identify and collect information about beneficial owners and company applicants, 20 minutes to fill out and file the report, including attaching an image of an acceptable identification document for each beneficial owner and company applicant). FinCEN estimates the average burden of reporting BOI as 650 minutes per response for reporting companies with complex beneficial ownership structures (300 minutes to read the form and understand the requirement, 240 minutes to identify and collect information about beneficial owners and company applicants, 110 minutes to fill out and file the report, including attaching an image of an acceptable identification document for each beneficial owner and company applicant). FinCEN estimates the average burden of updating such reports for reporting companies with simple beneficial ownership structures as 40 minutes per update (20 minutes to identify and collect information about beneficial owners or company applicants and 20 minutes to fill out and file the update). FinCEN estimates the average burden of updating such reports for reporting companies with complex beneficial ownership structures as 170 minutes per update (60 minutes to identify and collect information about beneficial owners or company applicants and 110 minutes to fill out and file the update). FinCEN also assesses that reporting companies with intermediate beneficial ownership structures will have a time burden that is the average of the time burden for reporting companies with simple and complex structures.

Estimated Aggregate Reporting Burden Hours: 51,569 hours per year, on average.

FinCEN estimates that during Year 1, the filing of initial BOI reports will result in approximately 91,050 burden hours for reporting companies. In Year 2 and beyond, FinCEN estimates that the

filing of initial BOI reports will result in 18,210 burden hours annually for new reporting companies. The three-year average of burden hours for initial BOI reports is 42,490 hours. FinCEN estimates that filing BOI updated reports in Year 1 would result in approximately 5,814 burden hours for reporting companies. In Year 2 and beyond, the estimated number of burden hours is 10,711. The three-year average of burden hours for updated BOI reports is 9,079 hours. The total three-year average of burden hours for BOI reports is 51,569.

Estimated Aggregate Reporting Cost: \$20,735,713.46 per year, on average.

FinCEN estimated a range of costs associated with filing an initial BOI report to account for the likely variance among reporting companies. FinCEN estimates the average cost of filing an initial BOI report per reporting company to be a range of \$82.06–\$2,592.67. FinCEN estimates the average cost of filing an updated BOI report per reporting company to be \$36.47–\$155.01.

For initial BOI reports, the range of total costs in Year 1, assuming for the lower bound that all reporting companies are simple structures and assuming for the upper bound that all reporting companies are complex structures, is \$2.5 million–\$64.8 million. Applying the distribution of reporting companies' structure explained in connection with Table 1 of the original rule, FinCEN calculates total costs in Year 1 of initial BOI reports to be \$16.4 million. In Year 2 and onwards, in which FinCEN assumes that initial BOI reports will be filed by newly created entities, the range of total costs is \$410 thousand–\$12.9 million annually. Applying the reporting companies' structure distribution explained in the original rule, the estimated total cost of initial BOI reports annually in Year 2 and onwards is \$22.1 million.

For updated BOI reports, the range of total costs in Year 1, assuming for the lower bound that all reporting companies are simple structures and assuming for the upper bound that all reporting companies are complex structures is \$173 thousand–\$736 thousand. Applying the

distribution of reporting companies' structure, FinCEN calculates total costs in Year 1 of updated BOI reports to be \$318 thousand. In Year 2 and onwards, the range of total costs is \$319 thousand–\$1.35 million annually. Applying the reporting companies' structure distribution, the estimated total cost of updated BOI reports annually in Year 2 and onwards is \$585 thousand. The three-year average cost for initial reports is \$20,239,042 and \$496,672 for updated reports.

There are no non-labor costs associated with these collections of information because FinCEN assumes that reporting companies already have the necessary equipment and tools to comply with the regulatory requirements.

2. Individual FinCEN Identifiers

OMB Control Number: 1506-0076.

Reporting Requirements: The rule continues to require the collection of information from individuals in order to issue them a FinCEN identifier.⁵² This is a voluntary collection. The rule requires individuals to report to FinCEN certain information about themselves to receive a FinCEN identifier, in accordance with the CTA.⁵³ An individual is also required to submit updates of their identifying information as needed. FinCEN stores such information in its BOI database for access by authorized users.

Frequency: As required.

Description of Affected Public: Individuals associated with foreign reporting companies that elect to request an identifier independent of the FinCEN identifier requested by the associated company as part of its BOIR submission.

⁵² FinCEN is not separately calculating a cost estimate for entities requesting a FinCEN identifier because FinCEN assumes this would already be accounted for in the process and cost of submitting the BOI reports.

⁵³ 31 U.S.C. 5336(b)(3)(A)(i); 31 CFR 1010.380(b)(4).

For individuals requesting FinCEN identifiers, FinCEN acknowledges that anyone who meets the statutory criteria could apply for a FinCEN identifier under the rule. However, the primary incentives for individual beneficial owners to apply for a FinCEN identifier are likely data security (an individual may see less risk in submitting personal identifiable information to FinCEN directly and exclusively than doing so indirectly through one or more individuals at one or more foreign reporting companies) and administrative efficiency (where an individual is likely to be identified as a beneficial owner of numerous foreign reporting companies). Company applicants that are responsible for registering many foreign reporting companies may have a similar incentive to request a FinCEN identifier in order to limit the number of companies with access to their personal information. This reasoning assumes that there is a one-to-many relationship between the company applicant and foreign reporting companies.

Estimated Number of Respondents: 123,733 filers per year, on average.⁵⁴

Estimated Time per Respondent: As discussed in the Reporting Rule, FinCEN anticipates that initial FinCEN identifier applications would require approximately 20 minutes (10 minutes to read the form and understand the information required and 10 minutes to fill out and file the request, including attaching an image of an acceptable identification document), given that the information to be submitted to FinCEN would be readily available to the person requesting the FinCEN identifier. FinCEN estimates that updates would require 10 minutes (10 minutes to fill out and file the update).

Estimated Aggregate Reporting Burden Hours: 32,3802 hours per year, on average.

Estimated Aggregate Reporting Cost: \$1,771,465.04 per year, on average.

⁵⁴ This estimate is based on a three-year average that assumes, based on data from foreign reporting company BOIRs received in calendar year 2024, that there would be eight personal FinCEN identifiers associated with each new reporting company, and that updates would accrue at the same rate as estimated in the previous final Reporting Rule.

3. Totals

Estimated Total Reporting Burden Hours: 83,949 hours per year, on average.

Estimated Total Reporting Cost: \$22,507,178.50 per year, on average.

Estimated Change in Total Reporting Burden Hours: -91,538,379 hours per year, on average.

Estimated Change in Total Reporting Cost: \$(9,011,817,866.50) per year, on average.

E. Congressional Review Act

Pursuant to Subtitle E of the Small Business Regulatory Enforcement and Fairness Act of 1996 (also known as the Congressional Review Act or CRA), OMB’s Office of Information and Regulatory Affairs has designated this rule a “major rule,” for purposes of the CRA.⁵⁵

Under the CRA, such a rule generally may take effect no earlier than 60 days after the rule is published in the Federal Register.⁵⁶ Notwithstanding this requirement, the CRA allows agencies to dispense with the requirements of section 801 when the agency for good cause finds that “notice and public procedure” regarding the rule would be impracticable, unnecessary, or contrary to the public interest. If the agency finds such good cause, the rule shall take effect at such time as the agency promulgating the rule determines.⁵⁷ Pursuant to section 808(2), for the reasons discussed above, FinCEN for good cause finds that providing public notice or allowing for public comment before this interim final rule takes effect is impracticable, unnecessary, and contrary to the public interest.

PART 1010 — GENERAL PROVISIONS

1. The authority citation for part 1010 continues to read as follows:

⁵⁵ 5 U.S.C. 804(2).

⁵⁶ 5 U.S.C. 801(a)(3).

⁵⁷ 5 U.S.C. 808(2).

Authority: 12 U.S.C. 1829b and 1951–1959; 31 U.S.C. 5311–5314 and 5316–5336; title III, sec. 314, Pub. L. 107–56, 115 Stat. 307; sec. 2006, Pub. L. 114–41, 129 Stat. 457; sec. 701 Pub. L. 114–74, 129 Stat. 599; sec. 6403, Pub. L. 116–283, 134 Stat. 3388.

2. Section 1010.380 is amended by:

- a. Revising paragraphs (a)(1)(i)–(ii);
- b. Removing paragraph (a)(1)(iii);
- c. Renumbering paragraph (a)(1)(iv) as (a)(1)(iii);
- d. Adding paragraph (a)(2)(vi) at the end of paragraph (a)(2);
- e. Renumbering paragraph (a)(3) as (a)(3)(i) and adding additional text to be numbered (a)(3)(ii);
- f. Revising paragraph (b)(1)(i)(D)–(F);
- g. Revising paragraph (b)(2)(iii);
- h. Revising paragraph (c)(1), including by removing and reserving paragraph (c)(1)(i) and revising paragraph (c)(1)(ii);
- i. Adding paragraph (c)(2)(xxiv) at the end of paragraph (c)(2);
- j. Revising paragraph (d)(3)(i);
- k. Adding paragraph (d)(4); and
- l. Reserving paragraph (e)(1) and revising paragraphs (e)(2)–(3).

The revised paragraphs and additions read as follows:

§ 1010.380 Reports of beneficial ownership information.

(a) *Reports required; timing of reports* —

(1) *Initial report.* Each reporting company shall file an initial report in the form and manner specified in paragraph (b) of this section as follows:

(i) Any entity that becomes a reporting company on or after [INSERT THE DATE OF PUBLICATION IN THE *FEDERAL REGISTER*] shall file a report within 30 calendar days of the earlier of the date on which it receives actual notice that it has been registered to do business or the date on which a secretary of state or similar office first provides public notice, such as through a publicly accessible registry, that the reporting company has been registered to do business.

(ii) Any entity that became a reporting company before [INSERT THE DATE OF PUBLICATION IN THE *FEDERAL REGISTER*] shall file a report no later than [INSERT DATE 30 DAYS AFTER THE DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

* * * * *

(2) *Updated report.*

* * * * *

(vi) Paragraphs (a)(2)(i)–(v) of this section shall only apply to reporting companies after [INSERT THE DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

(3)(i) *Corrected report.* ***

(ii) Paragraph (a)(3)(i) shall only apply to reporting companies after [INSERT THE DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

* * * * *

(b) *Content, form, and manner of reports.* ***

(1) * * *

* * * * *

(i) * * *

* * * * *

(D) The foreign jurisdiction of formation of the reporting company;

(E) The State or Tribal jurisdiction where the reporting company first registers;
and

(F) The Internal Revenue Service (IRS) Taxpayer Identification Number (TIN)
(including an Employer Identification Number (EIN)) of the reporting company,
or where a reporting company has not been issued a TIN, a tax identification
number issued by a foreign jurisdiction and the name of such jurisdiction;

* * * * *

(2) *Special rules.* ***

* * * * *

(iii) *Foreign pooled investment vehicle.* If an entity would be a reporting company but for paragraph (c)(2)(xviii) of this section, and is formed under the laws of a foreign country, such entity shall be deemed a reporting company for purposes of paragraphs (a) and (b)

of this section, except the report shall include the information required under paragraph (b)(1) of this section solely with respect to an individual who exercises substantial control over the entity if that individual is not a United States person. If more than one individual exercises substantial control over the entity and at least one of those individuals is not a United States person, the entity shall report information with respect to the individual who is not a United States person who has the greatest authority over the strategic management of the entity.

* * * * *

(c) *Reporting company.*

(1) *Definition of reporting company.* For purposes of this section, the term “reporting company” means:

(i) [Removed and Reserved]

(ii) Any entity that is:

(A) A corporation, limited liability company, or other entity;

(B) Formed under the law of a foreign country; and

(C) Registered to do business in any State or tribal jurisdiction by the filing of a document with a secretary of state or any similar office under the law of that State or Indian tribe.

(2) *Exemptions.* * * *

* * * * *

(xxiv) *Domestic entity.* Any entity that is:

(A) A corporation, limited liability company, or other entity; and

(B) Created by the filing of a document with a secretary of state or any similar office under the law of a State or Indian tribe.

(d) *Beneficial owner.*

* * * * *

(3) *Exceptions.* Notwithstanding any other provision of this paragraph (d), the term “beneficial owner” does not include:

- (i) A minor child, as defined under the law of the State or Indian tribe in which a reporting company is first registered, provided the reporting company reports the required information of a parent or legal guardian of the minor child as specified in paragraph (b)(2)(ii) of this section;

* * * * *

(4) *Exemptions.*

(i) Reporting companies are exempt from the requirement in 31 U.S.C. 5336 and this section to report the beneficial ownership information of any United States persons who are beneficial owners.

(ii) United States persons are exempt from the requirements in 31 U.S.C. 5336 and this section to provide beneficial ownership information with respect to any reporting company for which they are a beneficial owner.

(e) *Company applicant.* For purposes of this section, the term “company applicant” means:

(1) [Reserved]

- (2) The individual who directly files the document that first registers the reporting company as described in paragraph (c)(1)(ii) of this section; and
- (3) The individual who is primarily responsible for directing or controlling such filing if more than one individual is involved in the filing of the document.

Andrea M. Gacki,
Director,
Financial Crimes Enforcement Network.