

Anti-Money Laundering

December 1, 2023

About Time: FinCEN Extends Deadline for New Companies Reporting Beneficial Ownership Information

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On November 29, 2023, the U.S. Treasury's Financial Crimes Enforcement Network (FinCEN) issued a final rule (RIN 1506-AB62)¹, extending the deadline for companies created or registered in 2024 to file beneficial owner information (BOI) reports with FinCEN from 30 calendar days to 90 calendar days. The 90-day period starts on the earlier of the date when (1) the company receives actual notice that has been created or registered or (2) a secretary of state or similar office first provides public notice of the company's creation or registration.² Companies created or registered before the start of 2024 will still have until January 1, 2025 to file their BOI reports. Companies created or registered on or after January 1, 2025 will still only have 30 calendar days to file their BOI reports.

The BOI filing requirement is part of a federal initiative to limit money laundering, terrorist financing, fraud, corruption, and other illicit activities through shell companies and other opaque ownership structures. It is one component of the Corporate Transparency Act (CTA),³ which was enacted through bipartisan efforts as part of the National Defense Authorization Act for Fiscal Year 2021.

The change in filing deadlines is a welcome relief to reporting companies, particularly small businesses that will not be able to rely on any of the CTA's exemptions. As discussed in [our prior client alert](#), the House of Representatives has introduced a bill proposing several changes to the CTA in recognition of the compliance burden on smaller companies. However, to date, this extension for companies created or registered in 2024 to file BOI reports is the only change that FinCEN has adopted.

Moreover, as we careen towards the January 1, 2024 effective date, FinCEN still has not provided the final BOSS reporting form, promulgated final access and data security regulations, or opened the FinCEN identifier application process.

As other proposed changes to the CTA are still being considered, we encourage our clients to stay up to date on the status of the regulation and read our client alerts on the subject. To prepare for any applicable reporting deadline and avoid penalties, collecting BOI in anticipation of filing should be done as early as possible. For assistance on preparing for BOI analysis or reporting, feel free to contact one of the listed authors of this client alert, or collectively at LSAMLTeam@lowenstein.com.

¹ See "Beneficial Ownership Information Reporting Deadline Extension for Reporting Companies," available at: <https://public-inspection.federalregister.gov/2023-26399.pdf>.

² See "Beneficial Ownership Information Reporting: Frequently Asked Questions," available at: <https://www.fincen.gov/boi-faqs>.

³ 31 C.F.R. § 1010.380. For more information regarding the Corporate Transparency Act and compliance requirements, see "Preparing Your Company for FinCEN's Beneficial Ownership Reporting Requirements," available at: <https://www.lowenstein.com/news-insights/publications/client-alerts/preparing-your-company-for-fincen-s-beneficial-ownership-reporting-requirements-anti-money-laundering>.

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