

Publications

July 31, 2024 • Updates

FinCEN Issues a Notice to Financial Institution Customers on Beneficial Ownership Information Requirements

In its first step in linking CTA and banking laws, FinCEN recently posted a Notice to Financial Institution Customers regarding reporting beneficial ownership information under the CTA and banking regulations:

According to FinCEN, the notice provides answers to key questions about:

(1) reporting beneficial ownership information to FinCEN under the Corporate Transparency Act; and

(2) providing beneficial ownership information to financial institutions in connection with Federal customer due diligence requirements.

QUESTION 1. *Will an entity potentially have to provide beneficial ownership information to both FinCEN and a financial institution?* ANSWER: Yes. FinCEN and financial institutions both collect beneficial ownership information from entities. However, they collect that information for different reasons and, in some cases, may collect different types of information. If an entity is required to report beneficial ownership information to FinCEN, that requirement cannot be fulfilled by providing beneficial ownership information to a financial institution.

QUESTION 2. *Are FinCEN and financial institutions collecting the exact same beneficial ownership information?* ANSWER: No.

FinCEN also reiterated the existing filing deadlines for CTA beneficial ownership information reports (on or before 1/1/2025 for entities created or registered before 1/1/2024); 90 days from creation or registration for entities created or registered in 2024, 30 days from creation or registration for entities created or registered on or after 1/1/2025; and amendments within 30 days of the change event).

FinCEN also noted that:

Related People

- Kevin O. Fogle
- Philip G. Feigen

Financial institution information collection:

"Under the "control prong," a financial institution is only required to collect information about one individual. Under the "ownership prong," a financial institution may be required to collect information for up to four individuals."

CTA information collection:

"There is no maximum number of beneficial owners who must be reported to FinCEN."