

## Publications

# FinCEN Seeks Public Comment on Corporate Transparency Act

Alert | 04.15.2021

Tracy (Adamovich) McLaughlin, Adam Diederich, Nathan A. Engel, Evgeny Magidenko, Benjamin N. Millard, Heather H. Sanborn  
On April 1, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued an Advance Notice of Proposed Rulemaking (ANPRM) to solicit comments from the public on issues relevant to the implementation of the Corporate Transparency Act (CTA). The CTA was enacted into law as part of the National Defense Authorization Act for Fiscal Year 2021.

As we reported earlier this year (*see articles here and here*), the CTA requires certain newly formed and existing corporate entities ("reporting companies") to identify and disclose information on their "beneficial owners" to FinCEN. This information includes identifying the beneficial owners by full legal name, date of birth, current residential or business address, and a unique identifying number from a non-expired passport, personal information card, or driver's license, or one issued by FinCEN (the "FinCEN identifier").

FinCEN must maintain the information on beneficial ownership acquired from the reporting companies in a secure, non-public database that may be accessed for limited purposes by national security, intelligence, and law enforcement agencies, and federal functional regulators (e.g., the Federal Deposit Insurance Corporation and the Securities and Exchange Commission).

The CTA requires FinCEN to issue regulations by January 1, 2022, that will govern the procedures and standards for reporting the requested information, as well as the ongoing maintenance of such information.

FinCEN is now seeking preliminary input on various topics that will be covered under the forthcoming CTA regulations, including specific comments from the public on: (i) how to best implement the new reporting requirements and the provisions regarding FinCEN's maintenance and disclosure of beneficial information; (ii) the procedures and standards for reporting companies to submit the required information regarding their beneficial owners; (iii) the various definitions referenced in the CTA (such as "reporting companies" and "beneficial owners"); (iv) the form and issuance of the FinCEN identifier; and (v) ways to manage costs for small businesses.

Comments in response to the ANPRM may be submitted online or by mail and must be received on or before May 5, 2021. FinCEN encourages all interested parties, in particular those parties who would be affected by the beneficial ownership information reporting provisions or would seek access to such information, to submit written comments. These comments will guide FinCEN in its implementation of all aspects of the new rules.

### Professionals

This publication has been prepared for the general information of clients and friends of the firm. It is not intended to provide legal advice with respect to any specific matter. Under rules applicable to the professional conduct of attorneys in various jurisdictions, it may be considered attorney advertising material. Prior results do not guarantee a similar outcome.