

Notice to Customers: Beneficial Ownership Information Reference Guide

Effective January 1, 2024, Federal law — the Corporate Transparency Act (CTA) — requires certain entities, including many small businesses, to report information about the individuals who ultimately own or control them (also known as their “beneficial owners”) to the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury. A separate regulatory requirement currently requires many financial institutions to also collect beneficial ownership information from certain customers that seek to open accounts as part of Federal customer due diligence requirements.

The CTA’s requirement that entities report information to FinCEN enables FinCEN to supply that information to law enforcement and other government agencies, as well as certain financial institutions. Agencies and institutions authorized to receive this information may then use it for a several specified purposes, most significantly combatting money laundering and other illicit activities that involve shell companies. Beneficial ownership collection requirements for financial institutions, in contrast, are primarily intended to ensure that financial institutions know their customers and thus can prevent their institutions from being used to facilitate illicit activity.

This guide answers key questions about these two separate requirements: (1) reporting beneficial ownership information to FinCEN under the CTA; and (2) providing beneficial ownership information to financial institutions in connection with Federal customer due diligence requirements. Additional information about these requirements can be found in the Resources section.

Will an entity potentially have to provide beneficial ownership information to both FinCEN and a financial institution?

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.

For example, if an entity seeks to open an account at a bank, the bank may be required to request certain information about the entity’s beneficial owner(s) before the account can be opened. That information is collected by the bank, not by FinCEN, when fulfilling its Federal customer due diligence obligations. That same entity may separately be a “reporting company” under the CTA that is required to report beneficial ownership information to FinCEN. Additional information about the requirements for entities to report beneficial ownership information to FinCEN, including exemptions, can be found at www.fincen.gov/boi.

Are FinCEN and financial institutions collecting the exact same beneficial ownership information?

No. The two charts in this guide compare the requirements.

FinCEN and financial institutions do not collect the exact same types of beneficial ownership information. For example, financial institutions are required to collect social security numbers of beneficial owners, but social security numbers are not required to be reported to FinCEN.

FinCEN began accepting beneficial ownership reports pursuant to the CTA on January 1, 2024.

- If your company was created or registered prior to January 1, 2024, you have until January 1, 2025, to report.
- If your company is created or registered in 2024, you must report within 90 calendar days after receiving actual or public notice that your company’s creation or registration is effective, whichever is earlier.
- If your company is created or registered on or after January 1, 2025, you must report within 30 calendar days after receiving actual or public notice that its creation or registration is effective.
- Any updates or corrections to beneficial ownership information that you previously filed with FinCEN must be submitted within 30 calendar days.

Resources

Information about FinCEN’s beneficial ownership information reporting requirements is available at <https://www.fincen.gov/boi>. This webpage includes a Small Entity Compliance Guide and responses to Frequently Asked Questions (FAQs) that can assist with your reporting questions. You may also submit questions to FinCEN at <https://www.fincen.gov/contact>.

This Reference Guide is explanatory only and does not supplement or modify any obligations imposed by statute or regulation.

Importantly, the Corporate Transparency Act requires FinCEN to revise its customer due diligence requirements. Therefore, the information in this pamphlet is accurate as of July 2024 and is subject to change in the future.

Additional information on the Corporate Transparency Act can be found here: <https://www.fincen.gov/boi/Reference-materials>. Additional information on current customer due diligence requirements can be found here: <https://www.fincen.gov/resources/statutes-and-regulations/cdd-final-rule>.

Required Information	FinCEN Reporting	Financial Institution Collection
Information About Beneficial Owners		
Name	✓	✓
Date of birth	✓	✓
Address	✓	✓
Social security number (or similar number if non-U.S. person)	✗	✓
Unique identifying number and issuing jurisdiction from, and image of, one of the following non-expired documents: <ul style="list-style-type: none"> • U.S. passport • State driver’s license • Identification document issued by a State, local government, or Indian Tribe • Foreign passport (if none of the above are available) 	✓	✗ ¹
Information About Entities		
Name	✓	✓
Any trade name or doing business as (DBA) name	✓	✗
Entity type	✗	✓
Address	✓	✓
Jurisdiction of formation and of registration (if foreign entity)	✓	✗
Tax identification number	✓	✓
Other Information and Certifications		
Information about the company applicant(s)	✓	✗
Information about the individual opening the account: <ul style="list-style-type: none"> • Name • Title 	✗	✓
Certification by the individual filing the report with FinCEN: <ul style="list-style-type: none"> • The report is true, correct, and complete. 	✓	✗
Certification by the individual opening the account: <ul style="list-style-type: none"> • To the best of the individual’s knowledge, the information provided is complete and correct. 	✗	✓

There are some differences in how a “beneficial owner” is defined for the purposes of FinCEN reporting and financial institution collection:

Who is a “Beneficial Owner”?

FinCEN Reporting	Financial Institution Collection
<p>Any individual who directly or indirectly:</p> <ul style="list-style-type: none"> • Exercises substantial control over a reporting company; OR • Owns or controls at least 25 percent of the ownership interests of a reporting company. <p>There is no maximum number of beneficial owners who must be reported to FinCEN.</p>	<ul style="list-style-type: none"> • A single individual with significant responsibility to control, manage, or direct a legal entity customer, including an executive officer or senior manager or any other individual who regularly performs similar functions (i.e., the “control prong”); AND • Each individual, if any, who directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25% or more of the equity interests of a legal entity customer (i.e., the “ownership prong”) <p>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.</p>

¹ Note: A financial institution may ask to see a copy of a driver’s license or other identifying document for each beneficial owner.