

LEGAL UPDATES

PUBLISHED: APRIL 20, 2023

Service

Private Wealth

Professionals

PATRICK T. CONNER

ST. LOUIS:

314.480.1637

KANSAS CITY:

816.983.8637

PATRICK.CONNER@

HUSCHBLACKWELL.COM

KAITLYN A. BLANCHARD

DALLAS:

214.999.6100

KAITLYN.BLANCHARD@

HUSCHBLACKWELL.COM

FinCEN Shines Additional Light on the Corporate Transparency Act

FAQS AND SUMMARY MATERIALS NOW AVAILABLE

Overview

Below is an update to our April 6, 2022, client alert discussing the proposed regulations for the Corporate Transparency Act (CTA) and our October 14, 2022, client alert discussing the CTA Final Regulations as adopted by Financial Crimes Enforcement Network (FinCEN).

To assist with compliance under the CTA, effective on January 1, 2024, FinCEN has issued several summary materials on its website. Such materials include an introductory video, a more detailed informational video, an FAQ, and one-page printed materials on Key Filing Dates and Key Questions.

In Depth

A few of the main FAQs provided by FinCEN help to clarify the following: FinCEN will begin accepting beneficial ownership information reports on January 1, 2024. Beneficial ownership information reports will not be accepted before then.

FinCEN will not charge a fee when beneficial ownership information reports are submitted.

If you are required to report your company's beneficial ownership information to FinCEN, this will need to be done electronically through a secure filing system that will be available via FinCEN's website. This system is still

currently being developed but will be deployed before your report must be filed.

The CTA authorizes FinCEN to disclose beneficial ownership information in certain circumstances to six types of requesters:

1. U.S. federal agencies engaged in national security, intelligence, and law enforcement activities;
2. State, local, and tribal law enforcement agencies with court authorization;
3. The U.S. Department of the Treasury;
4. Financial institutions using beneficial ownership information to conduct legally required customer due diligence, provided the financial institutions have the customer's consent to retrieve the information;
5. Federal and state regulators assessing financial institutions for compliance with legally required customer due diligence obligations; and
6. Foreign law enforcement agencies and certain other foreign authorities who submit qualifying requests for the information through a U.S. federal agency.

FinCEN is developing the policies and procedures that will govern the access to and handling of beneficial ownership information. FinCEN is also building a secure IT system to store the information. Consistent with federal law, the system will be cloud-based and will meet the highest standards of the Federal Information Security Modernization Act to secure beneficial ownership information.

What This Means to You

You should begin to review the materials issued by FinCEN and determine the necessary steps to ensure compliance with the CTA.

Contact Us

For assistance in preparing to comply with the CTA, please contact Patrick Conner, Kaitlyn Blanchard, Samuel DiPietro, or your Husch Blackwell attorney.