DEPARTM

Financial Crimes Enforcement Network

31 CFR Part 1010

RIN: 1506-AB62

Beneficial Ownership Information Reporting Deadline Extension for Reporting Companies Created or Registered in 2024

AGENCY: Financial Crimes Enforcement Network (FinCEN), Treasury.

ACTION: Final rule.

SUMMARY: FinCEN is amending the beneficial ownership information (BOI) reporting rule (the “Reporting Rule”) to extend the filing deadline for certain BOI reports. Under the Reporting Rule prior to this amendment, entities created or registered on or after the rule’s effective date of January 1, 2024, had to file initial BOI reports with FinCEN within 30 calendar days of notice of their creation or registration. This amendment extends that filing deadline from 30 calendar days to 90 calendar days for entities created or registered on or after January 1, 2024, and before January 1, 2025, to give those entities additional time to understand the new reporting obligation and collect the necessary information to complete their filings. Entities created or registered on or after January 1, 2025, will continue to have 30 calendar days to file their BOI reports with FinCEN.

DATES: This rule is effective January 1, 2024.

FOR FURTHER INFORMATION CONTACT: The FinCEN Regulatory Support Section at 1-800-767-2825 or electronically at frc@fincen.gov.

SUPPLEMENTARY INFORMATION:

I. Introduction

In this final rule, FinCEN is amending the Reporting Rule[1] to extend the deadline to file initial BOI reports for entities created or registered on or after the rule's effective date of January 1, 2024, and before January 1, 2025. The Reporting Rule had required such entities to file initial BOI reports with FinCEN within 30 calendar days of notice of their creation or registration. This final rule extends that filing deadline to 90 calendar days for entities created or registered on or after January 1, 2024, and before January 1, 2025. The extension will give those entities additional time to understand the new reporting obligation and collect the necessary information to complete their filings. Entities created or registered on or after January 1, 2025, will continue to have 30 calendar days from notice of their creation or registration to file their BOI reports with FinCEN.

II. Background

A. The Reporting Rule

On September 30, 2022, FinCEN published the Reporting Rule, with an effective date of January 1, 2024.[2] The Reporting Rule requires certain corporations, limited liability companies, and other similar entities ("reporting companies")[3] to report certain identifying information about the beneficial owners who own or control such entities and the company applicants who form or register them.[4] These requirements are intended to facilitate access to BOI for certain authorized recipients, including law enforcement and regulators, for the purpose of countering money laundering, the financing of terrorism, and other illicit activity.[5] The Corporate Transparency Act (CTA) directs FinCEN to promulgate regulations that achieve the objectives of the statute, while minimizing burdens on reporting companies to the greatest extent practicable and ensuring

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[1] U.S. Department of the Treasury (Treasury), FinCEN, *Beneficial Ownership Information Reporting Requirements*, 87 FR 59498 (September 30, 2022).

[2] The Reporting Rule is the first in a series of rulemakings to implement the Corporate Transparency Act (CTA), enacted on January 1, 2021, as part of the Anti-Money Laundering Act of 2020 and codified at 31 U.S.C. 5336. The CTA is Title LXIV of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Public Law 116-283 (January 1, 2021) (NDAA). Division F of the NDAA is the Anti-Money Laundering Act of 2020, which includes the CTA.

[3] *See* 31 U.S.C. 5336(a)(11).

[4] *See supra* footnote 1, at 59498-99.

[5] CTA, Section 6402 (January 1, 2021).

that the BOI collected is "highly useful" for national security, intelligence, and law enforcement activities.[6]

For domestic or foreign reporting companies created or registered to do business in the United States before the rule's effective date of January 1, 2024, the Reporting Rule requires that they file initial BOI reports with FinCEN by January 1, 2025.[7] Prior to the amendment of this final rule, a reporting company created or registered on or after January 1, 2024, however, would have been required to file its initial BOI report within 30 calendar days of the earlier of the date on which it receives actual notice or public notice that it has been created or registered.[8] The Reporting Rule requires reporting companies created on or after January 1, 2024, to report to FinCEN information about themselves, as well as information about two categories of individuals: (1) their beneficial owners; and (2) their company applicants, who are the individuals who filed a document to create the reporting company or registered it to do business.[9]

B. The Reporting Deadline Extension NPRM

On September 28, 2023, FinCEN published a notice of proposed rulemaking that would amend the Reporting Rule by extending the period for certain reporting companies to file initial BOI reports (the "Reporting Extension NPRM").[10] Under this proposed amendment, reporting companies created or registered on or after January 1, 2024, and before January 1, 2025, would have 90 calendar days to submit their initial BOI reports, instead of 30 calendar days. Reporting companies created or registered on or after January 1, 2025, would continue to be required to submit their initial BOI reports within 30 calendar days. FinCEN proposed the extension based on comments from trade associations, non-profits, and other key stakeholder organizations. As explained in the Reporting Extension NPRM, extending the deadline for reporting companies created or registered on or after January 1, 2024, and before January 1, 2025, would give those

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[6] *Id*.
[7] Reporting Rule, 31 CFR 1010.380(a)(iii).
[8] *Id.* at 1010.380(a)(i)-(ii).
[9] *Id.* at 1010.380(a)(ii).
[10] Treasury, FinCEN, *Beneficial Ownership Information Reporting Deadline Extension for Reporting Companies Created or Registered in 2024*, Proposed Rule, 88 FR 66730 (September 28, 2023).

entities additional time to: (1) understand and comply with the Reporting Rule; (2) obtain the information necessary to complete their initial BOI reports; and (3) resolve questions that may arise in the process of completing the initial BOI reports.[11] The Reporting Extension NPRM also explained that the Reporting Rule establishes a legal regime that is entirely new to the United States, and the NPRM explained that FinCEN assessed that entrepreneurs and their service providers that create or register new business entities in the United States need additional time to learn about the Reporting Rule's requirements during the first year in which this regulation is effective.

In response to the Reporting Extension NPRM, FinCEN received 50 comments. Submissions came from a variety of corporate organization professionals, small business owners, trade groups, and individual members of the public. Many of these commenters supported FinCEN's proposed rule. Other commenters, while supportive of the intent behind the proposed rule, suggested alternative reporting deadlines such as 120 days after reporting companies are created or registered. Numerous commenters wanted FinCEN to apply the 90-day timeframe to *all* entities created or registered on or after January 1, 2024, not just those created or registered before January 1, 2025. Still other commenters suggested aligning the BOI reporting deadline with a reporting company's tax filing deadline. One comment was critical of the proposed rule, claiming that the proposal did not offer sufficient relief to reporting companies. Lastly, FinCEN received comments on several topics that were not relevant to the Reporting Extension NPRM, and which FinCEN has addressed or will address in other CTA-related rulemakings or guidance.

III. Discussion of Comments Received

A. Support for the 90-Day Reporting Extension

[11] Although the CTA provides that reports are to be filed by entities created or registered on or after January 1, 2024, "at the time of formation or registration," 31 U.S.C. 5336(b)(1)(C), FinCEN may prescribe an exemption from that requirement consistent with the directive to ensure that the database is highly useful to law enforcement while at the same time minimizing burdens on reporting companies. *See* CTA, Section 6402(8). FinCEN believes it is appropriate to do so for entities created or registered on or after January 1, 2024, and before January 1, 2025, for the reasons noted here. Under 31 U.S.C. 5318(a)(7), FinCEN has authority to ''prescribe an appropriate exemption from a requirement under this subchapter,'' which includes the CTA in section 5336.

Comments Received. A majority of the commenters agreed with the proposed rule's extended deadline and encouraged FinCEN to promulgate the rule as written. Generally, these comments stressed the importance for small businesses to receive additional time to comply with the BOI filing deadline. One commenter observed that small businesses have a "myriad of administrative tasks" and opined that entities would feel rushed when attempting to comply with the original BOI filing deadline of 30 calendar days. This sentiment was echoed by another commenter who noted that new entities must typically gather numerous documents in coordination with other parties, such as attorneys, and that the original 30-day filing deadline would be "stressful." This commenter argued that the 90-day extension would reduce the number of entities that would later have to file corrective reports, and consequently reduce the overall amount of paperwork and expenses associated with filing. Further, one commenter noted that entity formation can take longer than 30 days as other governmental entities may require greater than 30 days to "process" entities' respective registration applications.

A commenter noted that the proposed extension would give attorneys and others providing filing assistance to reporting companies more time to understand BOI reporting requirements. One commenter noted that an extension to this deadline would lighten entities' initial regulatory burden.

Commenters also argued that the extension will give FinCEN additional time to implement the BOI regulations. One commenter opined that this proposed extension would give FinCEN additional time so as not to be "overwhelmed" with new reports, while another commenter stated that the additional time would allow FinCEN to publish frequently asked questions (FAQs) or related guidance. One commenter suggested that an extension would reduce non-compliance and potential penalties. No commenters explicitly opposed extending the deadline, though as discussed below in Section III.B, one commenter was critical of the proposed rule for not offering sufficient relief to reporting companies.

Final Rule. FinCEN has carefully considered commenters' views and agrees that extending the reporting deadline for reporting companies created or registered on January 1, 2024, and before January 1, 2025, will help such companies to become aware of their reporting obligations and submit BOI reports to FinCEN. FinCEN therefore adopts the rule as proposed and extends the deadline for these reporting companies from 30 to 90 calendar days.

B. Alternatives to the 90-Day Reporting Extension

Comments Received. Numerous commenters, while in favor of extending the initial filing deadline for reporting companies created or registered on or after January 1, 2024, and before January 1, 2025, argued for making the deadline more than 90 calendar days after creation or registration or, alternatively, for an initial BOI report filing deadline aligned to tax filing deadlines. These commenters generally did not distinguish between entities created or registered in the first year of the new reporting requirement (on or after January 1, 2024, and before January 1, 2025), and new entities generally. One commenter argued that with January 1, 2024, quickly approaching and FinCEN having provided relatively little guidance (in the commenter's opinion), all new entities should be given 120 days to file their initial BOI reports. The commenter stated that a 120-day timeframe would promote greater accuracy in information submitted to FinCEN. Another commenter suggested the deadline be either 90 days or "within the calendar year," whichever was longer. The commenter argued that this flexibility would help certified public accountants (CPAs), who might only discover a reporting company's BOI reporting obligation at tax time.

A trade organization representing CPAs was critical of the extension because it found the 90-day timeline to be inadequate. This commenter argued for an initial filing deadline of one year from creation or registration. The commenter cited various concerns, such as the need for greater awareness of the reporting requirements among small businesses and the potential for these businesses facing penalties for non-compliance.

Similarly, multiple commenters argued that all new reporting companies' deadlines should be either 90 days or the income tax return deadline specifically, whichever was longer. These commenters argued that new businesses, and in particular small businesses, rely upon CPAs to assist with filing income tax returns. To this point, three commenters echoed others' sentiments in stating that individuals often make CPAs aware of new businesses having been created when seeking assistance with tax return filings. Therefore, the commenters argued that a deadline based upon the tax return deadline would allow CPAs to assist with both tax return filings and BOI filings at the same time.

Final Rule. FinCEN has carefully considered each comment supporting an extension greater than 90 calendar days, or a deadline to be aligned with IRS tax return filing deadlines, but declines to adopt these changes to the proposed rule. FinCEN believes the additional published guidance, the availability of the contact center FinCEN is preparing that will allow members of the public to contact FinCEN with questions concerning BOI reporting, and the 90-day timeframe will provide members of the general public with sufficient time, awareness, and opportunity to consult third parties (such as CPAs or attorneys) as the BOI regulatory framework is first implemented. It will also provide both those third parties and the general public with guidance and other information to assist in providing advice and making decisions. FinCEN further declines to extend the deadline to the longer of 90 days or the "end of the year."[12] This arrangement would allow a reporting company created or registered in January to wait until December 31 of the same year to file its initial BOI report, while a reporting company created or registered at or near the end of September of that same year would be required to file within 90 days. Such disparate treatment of similarly situated reporting companies is unwarranted and

[12] Some comments discussed the merits of an extended reporting deadline without reference to the January 1, 2025, endpoint that FinCEN proposed. FinCEN understands these comments to be effectively in favor of a permanent alteration of reporting deadline to 90 calendar days for all new reporting companies, regardless of when created or registered, and addresses those comments in section III.C.

would not address any difficulties caused by a novel reporting requirement more effectively than the filing extension that FinCEN proposed.

FinCEN also declines to align its filing deadline for initial BOI reports to income tax return deadlines. Were FinCEN to align the initial BOI report deadline to the income tax return filing deadline, some reporting companies could file their BOI reports many months, and even the following year, after they have been created or registered. This would create significant discrepancies between the filing time allotted to otherwise similarly situated reporting companies. In addition, such a delay would mean that filed information about new reporting companies would be significantly out of date for the entire period from January 1, 2024, until after the 2025 tax filing season, which would not align with the CTA's mandate to "collect information in a form and manner that is reasonably designed to generate a database that is highly useful to national security, intelligence, and law enforcement agencies and Federal functional regulators."[13] Preserving the utility of the database to the greatest extent possible dictates that an extension of the filing deadline should be only as long as needed to provide meaningful relief in the first year that the BOI reporting framework is in effect.

C. The Timeframe to File for Entities Created or Registered After 2024

Comments Received. Some commenters urged FinCEN to apply the 90-day BOI reporting deadline extension to *all* reporting companies created or formed on or after January 1, 2024, instead of limiting the 90-day extension to only those new entities created in calendar year 2024. One commenter argued that the 90-day extension should apply to all reporting companies created or formed on or after January 1, 2024, because law firms and corporate formation services will find it burdensome to create systems for a 90-day BOI reporting timeframe in 2024 and then have to change their systems in 2025 to account for the 30-day timeline. Other commenters cited the logic in the preamble to the Reporting Extension NPRM as supportive of extending the 90-day extension beyond 2024. These commenters noted the rationale behind the

[13] CTA, Section 6402(8)(C).

proposed rule, including the need to give reporting companies additional time to understand their obligations under the Reporting Rule and obtain the information required under the rule during the first year the Reporting Rule is effective. The reasons FinCEN provided for giving reporting companies more time in 2024 would also justify giving reporting companies more time in the years beyond 2024, according to these commenters.

Final Rule. FinCEN has carefully considered commenters' arguments to make the 90-day reporting extension permanent, but FinCEN is declining to adopt this change to the Reporting Rule. FinCEN believes that new reporting companies that are created or registered in 2024 will be in a different position than those reporting companies created or registered in and after 2025, because 2024 is the first year in which the Reporting Rule is effective. The Reporting Rule creates an entirely new legal framework for newly formed or registered companies in the United States. It is particularly important for companies and company-formation advisers to have additional time to understand the new requirements and learn how to comply with them when the framework is new. After 2024, however, FinCEN believes that the public will be more familiar with this new regime as a result of FinCEN's outreach and educational efforts, which will continue throughout 2024. Consequently, after 2024, newly created or registered reporting companies will have greater awareness of the Reporting Rule's requirements, and they will be in a better position to comply with the requirements within the 30-day timeline set out in the Reporting Rule than they would have been in 2024.

FinCEN recognizes commenters' concerns that the 30-day timeframe for filing BOI reports after 2024 may pose difficulties because many small businesses do not employ lawyers or other corporate service providers and therefore may not learn about the Reporting Rule and associated BOI reporting requirement within a 30-day timeframe. FinCEN is taking into account these concerns as it implements its outreach strategy, in particular by planning for its outreach and educational efforts to reach the general public, not only service providers. FinCEN expects the public to become increasingly aware of the BOI reporting requirements as 2024 progresses, and in the coming years FinCEN will build upon its existing efforts to educate entrepreneurs who start new reporting companies.

Further, while following the CTA's directive to minimize burdens on reporting companies to the greatest extent practicable, which this final rule aims to do, FinCEN must also satisfy the CTA's requirement that the BOI database must be "highly useful" in facilitating national security, intelligence, and law enforcement activities.[14] To be "highly useful," the database must be reasonably up-to-date and accurate, and FinCEN believes that the Reporting Rule's 30-day timeframe for filing BOI reports to FinCEN will help achieve this goal. FinCEN gives weight to commenters' concerns that new reporting companies have many challenges to grapple with in their first few months of operation. However, FinCEN does not believe these concerns warrant a permanent departure from the prompt BOI reporting regime specified by Congress.[15]

Considering the balance that FinCEN must strike among reducing burdens on reporting companies, making the BOI database highly useful, and complying with the directive set out in the CTA that companies must report BOI "at the time of formation or registration,"[16] FinCEN believes that the 30-day timeframe is appropriate for reporting companies that come into existence or are registered after 2024. FinCEN makes this determination based on the information currently available, including the comments it received in response to the Reporting Extension NPRM, which focused primarily on reducing burdens to reporting companies. During the first few years of the implementation of the Reporting Rule, FinCEN will monitor compliance with the BOI reporting deadlines and will consider whether any adjustments to the

[14] CTA, Section 6402(8)(C).
[15] The plain language of the CTA requires reporting companies formed or registered after the effective date of the Reporting Rule to file their BOI reports with FinCEN "at the time of formation or registration." *See* 31 U.S.C. 5336(b)(1)(C). As discussed above, FinCEN is using its exemptive authority under 31 U.S.C. 5318(a)(7) to extend this deadline to 90 days temporarily. *See supra* footnote 12. By not maintaining this extension any longer than necessary to provide relief, however, this final rule better aligns FinCEN's BOI reporting regulations with the overall statutory scheme.
[16] 31 U.S.C. 5336(b)(1)(C).

permanent reporting timeframe for newly created or registered reporting companies are warranted.

D. Other Issues Raised by Commenters

Commenters also discussed a number of issues that were not relevant to the Reporting Extension NPRM, such as the timeframe for updating or correcting BOI reports, access to FinCEN's BOI database, the FinCEN identifier, and other matters. Some of the issues raised by these commenters have been or will be dealt with in separate FinCEN rulemakings that implement the CTA, while other issues are addressed in guidance. Comments on issues that go beyond the scope of this final rule are briefly discussed here.

Comments Received. A number of comments addressed issues that FinCEN raised, received comments on, and made final determinations about in the course of proposing and finalizing the Reporting Rule. Several commenters requested that FinCEN extend the timeframe that reporting companies have to update or correct their BOI reports. These commenters claimed that reporting companies need more than the 30 calendar days that the Reporting Rule provided for them to update or correct BOI reports. One commenter requested clarification on what it means for reporting companies to be "created" for purposes of knowing when to begin the 90-day window within which reporting companies created or formed in 2024 must file their BOI reports with FinCEN. Another commenter claimed that as important as the 90-day extension in the NPRM is, equally important for FinCEN to consider is making FinCEN's electronic filing system available to corporate formation service providers prior to January 1, 2024, so that they are prepared to quickly assist newly created reporting companies in filing their BOI reports. Other commenters emphasized the need for FinCEN to conduct additional outreach so that small businesses, trade associations, and professional service providers are aware of the requirements of the Reporting Rule. One commenter argued that the Reporting Rule's estimate of the costs that reporting companies will incur in complying with the rule is inaccurate since these companies will need to monitor changes that would require updates to their initial BOI report, and they will often incur costs associated with professional services hired to understand the reporting requirements.

Other comments that addressed issues that went beyond the scope of the Reporting Extension NPRM are more relevant to ongoing FinCEN regulations and guidance related to the CTA. For example, one commenter asked FinCEN to clarify, among other things, how financial institutions will access the FinCEN BOI database, how financial institutions should obtain customer consent to request BOI from the database, how these institutions should approach discrepancies between BOI found in the database and BOI obtained directly from customers pursuant to the final rule on customer due diligence obligations that FinCEN published in 2016 (the "2016 CDD Rule").[17] Other commenters had additional questions regarding how financial institutions should reconcile their existing CDD obligations with the Reporting Rule and the proposed requirements under the proposed rule that FinCEN issued on December 16, 2022, concerning access to BOI and safeguards for protecting BOI (the "Access NPRM").[18]

Final Rule. FinCEN has reviewed the comments on issues that are not relevant to the Reporting Extension NPRM and is not adopting changes to this final rule as a result of these comments. However, FinCEN is responding to several of the comments in order to provide clarification on certain issues.

First, as for questions about the meaning of when a reporting company is deemed to be "created" in order to set the 90-day timeframe for reporting BOI by reporting companies created or formed in 2024, the Reporting Extension NPRM did not propose to alter the approach that FinCEN took in the Reporting Rule. Under the Reporting Rule, a domestic or foreign reporting company is "created" or "registered" when it receives actual notice or constructive (public)

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[17] Treasury, FinCEN, *Customer Due Diligence Requirements for Financial Institutions,* 81 FR 29398 (May 11, 2016).

[18] Treasury, FinCEN, *Beneficial Ownership Information Access and Safeguards, and Use of FinCEN Identifiers for Entities*, Proposed Rule, 87 FR 77404 (December 16, 2022).

notice, whichever is earlier, that the company has been created or registered.[19] This remains unchanged.

Second, FinCEN considers that a distinction needs to be made between providing additional time for reporting companies to file their initial BOI reports, and providing additional time for them to update or correct those reports. FinCEN believes that extending the deadline for reporting companies created or registered on or after January 1, 2024, and before January 1, 2025, to file their initial BOI reports is appropriate because of the need to give these companies additional time to become aware of the Reporting Rule, collect BOI and company applicant information, and file their initial reports during the first year that the Reporting Rule is effective. But as reporting companies and third party service providers become aware of the Reporting Rule and file their initial BOI reports, FinCEN believes they will also have time to review the rules concerning updates and corrections to these reports and to file updates or corrections with FinCEN, or assist in such filings, as appropriate. Thus, no extension of the deadline to update and correct BOI reports is necessary.

Finally, as for comments concerning access to the BOI database, including how financial institutions should obtain customer consent in order to access the database, these issues are the topic of the Access NPRM and the forthcoming final rule on beneficial ownership access and safeguards. Similarly, issues raised by one commenter concerning discrepancies between BOI financial institutions obtain directly from customers and BOI obtained from the FinCEN database will be addressed in a future rulemaking on revisions to the 2016 CDD Rule required by the CTA.[20] FinCEN is declining to address any other issues raised by commenters to the proposed rule that are not strictly within the scope of the Reporting Extension NPRM.

IV. Regulatory Analysis

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[19] Reporting Rule, 31 CFR 1010.380(a)(i)-(ii).

[20] *See* CTA, Section 6304(d).

FinCEN has analyzed the final rule as required under Executive Orders 12866, 13563, and 14094; the Regulatory Flexibility Act; the Unfunded Mandates Reform Act; and the Paperwork Reduction Act. This rule would not have an annual effect on the economy of $200 million or otherwise constitute a "significant regulatory action" as defined in section 3(f) of Executive Order 12866, as amended. Pursuant to the Regulatory Flexibility Act, FinCEN certifies that the final rule would not have a significant economic impact on a substantial number of small entities. FinCEN has assessed that the rule would result in no additional costs to small businesses. Furthermore, pursuant to the Unfunded Mandates Reform Act, FinCEN has concluded that the final rule would not result in an expenditure of $177 million or more annually by state, local, and Tribal governments or by the private sector.[21] FinCEN does not estimate any burden, as defined by the Paperwork Reduction Act, associated with the final rule.

FinCEN assesses that the extension of the reporting deadline for entities created or registered in the first year of the reporting requirement will not impose new costs. The costs for BOI reporting have been estimated in the regulatory impact analysis (RIA) in the Reporting Rule.[22] In that RIA, FinCEN estimated the total number of reporting companies in 2024, the first year that the Reporting Rule will go into effect, to be approximately 32.6 million. The Reporting Rule RIA also estimated the costs for these reporting companies in filing their initial BOI reports, analyzing the potential cost of each step in the filing process.[23] FinCEN's analysis in the final Reporting Rule would not be changed by the extension of the reporting timeline for new reporting companies created or registered in 2024 from 30 calendar days to 90 calendar days.

FinCEN acknowledges that this 90-day reporting timeframe would shift some of the estimated aggregate cost in the Reporting Rule RIA from "Year 1" (2024) to "Year 2" (2025) in

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[21] The Unfunded Mandates Reform Act requires an assessment of mandates that will result in an annual expenditure of $100 million or more, adjusted for inflation. The U.S. Bureau of Economic Analysis reports the annual value of the gross domestic product (GDP) deflator in 1995, the year of the Unfunded Mandates Reform Act, as 71.823, and as 127.224 in 2022. *See* U.S. Bureau of Economic Analysis, "Table 1.1.9. Implicit Price Deflators for Gross Domestic Product" (accessed Friday, June 2, 2023). Thus, the inflation adjusted estimate for $100 million is 127.224/71.823 × 100 = $177 million.

[22] *See* Treasury, FinCEN, *Beneficial Ownership Reporting Requirements*, 87 FR 59549-59591 (December 8, 2021).

[23] *Id.*

the analysis. This shift in cost is difficult to quantify. However, FinCEN assesses that the shift of these costs would be *de minimis* and would not change the conclusions of the Reporting Rule's RIA. Additionally, the per-reporting company burden and cost estimate in the Reporting Rule RIA would not be affected by the final rule.

Furthermore, FinCEN notes that the change in the reporting timeline for reporting companies created or registered in 2024 would likely have multiple benefits. As discussed in Section III.A above, FinCEN received many comments in response to the NPRM that supported the reporting deadline extension and agreed with FinCEN's view that the extension would benefit reporting companies. These benefits include additional time for these companies to understand and comply with the requirements of the Reporting Rule, as well as greater opportunities for FinCEN to efficiently respond to questions and address problems that reporting companies may have in complying.

V. Effective Date

This final rule will be effective January 1, 2024, the same date as the Reporting Rule it is amending but potentially fewer than 30 days after this rule's publication in the Federal Register. Under 5 U.S.C. 553(d) of the Administrative Procedure Act (APA), a 30-day delayed effective date is required, except for "(1) substantive rules which grant or recognize an exemption or relieve a restriction; (2) interpretative rules and statements of policy; or (3) as otherwise provided by the agency for good cause found and published with the rule." A delayed effective date of fewer than 30 days for this rule is authorized under both 5 U.S.C. 553(d)(1) and 553(d)(3).

First, this rule grants an exemption and relieves a restriction by extending the reporting deadline for certain entities to 90 calendar days, relieving these entities from the shorter 30-day filing deadline under the Reporting Rule. Thus, it may be effective without a 30-day delay under 5 U.S.C. 553(d)(1).

Second, FinCEN finds good cause under 5 U.S.C. 553(d)(3) to make this rule effective on January 1, 2024, because a 30-day delayed effective date is unnecessary. The purpose of the 30-

day delayed effective date is to “give affected parties a reasonable time to adjust their behavior before the final rule takes effect.” *Omnipoint Corp. v. Fed. Commc’n Comm’n*, 78 F.3d 620, 630 (D.C. Cir. 1996). The parties affected by this rule, however, do not need time to adjust their behavior because the rule does not impose any new obligations on them; to the contrary, this rule gives affected parties additional time to adjust their behavior to the requirements of the Reporting Rule.

List of Subjects in 31 CFR Parts 1010

Administrative practice and procedure, Aliens, Authority delegations (Government agencies), Banks and banking, Brokers, Business and industry, Citizenship and naturalization, Commodity futures, Currency, Electronic filing, Federal savings associations, Federal-States relations, Foreign persons, Holding companies, Indians, Indian-law, Indians-tribal government, Insurance companies, Investigations, Investment advisers, Investment companies, Law enforcement, Penalties, Reporting and recordkeeping requirements, Securities, Small business, Terrorism, Time.

Authority and Issuance

For the reasons set forth in the preamble, the U.S. Department of the Treasury and Financial Crimes Enforcement Network amend 31 CFR part 1010 as follows:

PART 1010 - GENERAL PROVISIONS

1. The authority citation for part 1010 continues to read as follows:

Authority: 12 U.S.C. 1829b and 1951-1959; 31 U.S.C. 5311-5314 and 5316-5336; title III, sec. 314, Pub. L. 107-56, 115 Stat. 307; sec. 2006, Pub. L. 114-41, 129 Stat. 458-459; sec. 701, Pub. L. 114-74, 129 Stat. 599.

2. In § 1010.380, revise paragraphs (a)(1)(i) and (ii) to read as follows:

§ 1010.380 Reports of beneficial ownership information.

(a) ***

(1) ***

(i)(A) Any domestic reporting company created on or after January 1, 2024, and before January 1, 2025, shall file a report within 90 calendar days of the earlier of the date on which it receives actual notice that its creation has become effective or the date on which a secretary of state or similar office first provides public notice, such as through a publicly accessible registry, that the domestic reporting company has been created.

(B) Any domestic reporting company created on or after January 1, 2025, shall file a report within 30 calendar days of the earlier of the date on which it receives actual notice that its creation has become effective or the date on which a secretary of state or similar office first provides public notice, such as through a publicly accessible registry, that the domestic reporting company has been created.

(ii)(A) Any entity that becomes a foreign reporting company on or after January 1, 2024, and before January 1, 2025, shall file a report within 90 calendar days of the earlier of the date on which it receives actual notice that it has been registered to do business or the date on which a secretary of state or similar office first provides public notice, such as through a publicly accessible registry, that the foreign reporting company has been registered to do business.

(B) Any entity that becomes a foreign reporting company on or after January 1, 2025, shall file a report within 30 calendar days of the earlier of the date on which it receives actual notice that it has been registered to do business or the date on which a secretary of state or similar office first provides public notice, such as through a publicly accessible registry, that the foreign reporting company has been registered to do business.

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