

# FinCEN Identifier: The Final Rule Details What You Need to Know

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Under the Corporate Transparency Act (CTA), which we have previously written about, reporting companies are required to report to the Financial Crimes Enforcement Network (FinCEN) certain identifying information about themselves, as well their beneficial owners and company applicants. FinCEN's [Beneficial Ownership Information Reporting Requirements Rule](#) (BOI Reporting Rule), published on September 30, 2022, establishes the rules for individuals and entities to obtain and update FinCEN Identifiers, as well as the rules for use of an individual's FinCEN Identifier. However, FinCEN then declined to finalize that portion of the proposed rule related to the use of an entity's FinCEN Identifier.

On November 8, FinCEN issued a [Final Rule](#) that specifies the circumstances in which a reporting company may use an entity's FinCEN Identifier in lieu of information about an individual beneficial owner.

A FinCEN Identifier is a unique number that FinCEN will issue upon request after receiving required information. Although there is no requirement to obtain a FinCEN Identifier, doing so can simplify the reporting process and allows entities or individuals to quickly reference identifying information previously provided to FinCEN.

## Why is this important?

A FinCEN Identifier will benefit entities that complete multiple filings. A FinCEN Identifier can ease the administrative burden of reporting the same identifying information for numerous reporting companies within a corporate family. In addition, using a FinCEN Identifier can be an effective data security tool where there is less risk in using a FinCEN Identifier than submitting personal identifiable information multiple times through numerous reporting entities.

The Final Rule sets out certain amendments to the BOI Reporting Rule which implements Section 6403 of the CTA, to specify when and how entities required to report beneficial ownership information (BOI) to FinCEN may use a FinCEN Identifier to report the BOI of certain related entities. The amendments specify how such entities may use an entity's FinCEN Identifier to fulfill their BOI reporting obligations under [31 CFR 1010.380](#).

## Effective Date

The Final Rule will be effective January 1, 2024, to align with the effective date of the BOI Reporting Rule.

## The November 8 Final Rule Responds to Comments Received

The Final Rule, which amends FinCEN's final Beneficial Ownership Information (BOI) Reporting Rule, specifically responds to commenter concerns that the reporting of entity FinCEN Identifiers could obscure the identities of beneficial owners in a manner that might result in greater secrecy or incomplete or misleading disclosures.

The Final Rule clarifies the circumstances in which an entity FinCEN Identifier can be used. These changes, which were specifically suggested by commenters, are: (1) to consistently refer to the entity whose FinCEN Identifier the reporting company may use as "another entity" or "the other entity" rather than simply "the entity," in order to avoid confusion with the reporting company itself; and (2) to make clear that it is an individual's *ownership* interest in another entity that allows the reporting company to report the other entity's FinCEN Identifier in lieu of the individual's information.

The Final Rule amends the BOI reporting regulations to implement the provision of the CTA regarding the use of FinCEN identifiers codified at [31 U.S.C. 5336\(b\)\(3\)\(C\)](#). The amendments specify how reporting companies would be able to use an entity's FinCEN identifier to fulfill their BOI reporting obligations under [31 CFR 1010.380](#).

These changes can potentially reduce the burden for reporting companies that choose to report another reporting company's FinCEN Identifier given that the filing reporting company will provide fewer pieces of information on its BOI report.

## How Do You Obtain a FinCEN Identifier?

### Reporting Companies

Reporting companies may request a FinCEN Identifier by checking a box on the beneficial ownership information report when they submit the report. After the reporting company submits the report, the reporting company will immediately receive a FinCEN identifier unique to that company. FinCEN Identifiers are not available before the BOI reporting system goes live or before the reporting company files reports using that system.

### Individuals

Obtaining a FinCEN Identifier is voluntary. To obtain a FinCEN Identifier, individuals must file applications electronically with FinCEN that contain certain information about themselves. FinCEN will store such information in its BOI database for access by authorized users. See, [Individual FinCEN Identifier](#).

As with other BOI data submitted to FinCEN, filers must update information submitted to apply for a FinCEN Identifier, such as changes to addresses or document ID numbers within 30 days of that change.

See our additional client advisories on point:

[FinCen Issues Small Entity Compliance Guidance: An Approach to BOI Reporting Obligations](#) (October 19, 2023)

[The Corporate Transparency Act: New Compliance & Reporting Obligations](#) (August 1, 2023)

**Kelley Drye lawyers are available to assist with any questions you may have regarding**

**these issues.**