

FinCEN extends Beneficial Ownership Information Reporting deadline for companies created in 2024

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FinCEN finalized a rule that gives reporting companies created in 2024 90 days to submit their initial reports to FinCEN.

As noted in our recent [client update](#), the reporting requirements under the Financial Crimes Enforcement Network's (FinCEN) Beneficial Ownership Information Reporting Requirements Rule (the [BOI Reporting Rule](#)), will go into effect on January 1, 2024. As a result, certain corporations, limited liability companies, and other similar entities (reporting companies) will be required to report information on their beneficial owners and the company applicants who form or register them (BOI) to FinCEN.

On November 29, 2023, FinCEN adopted a rule that extends the reporting deadline for companies created in 2024 (the [Reporting Extension Rule](#)), requiring such reporting companies to submit their BOI reports to FinCEN within 90 days of company formation. The BOI Reporting Rule initially required reporting companies created after January 1, 2024 to submit their BOI reports to FinCEN within 30 days of their creation or registration.¹ FinCEN stated that the extension is intended to give reporting companies created in 2024 additional time to: (1) understand and comply with the BOI 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.

The Reporting Extension Rule does not change the filing deadline for other reporting companies, however—reporting companies created or registered before January 1, 2024, will continue to have until January 1, 2025, to file their initial BOI reports with FinCEN, and reporting companies created or registered on or after January 1, 2025, will continue to have 30 calendar days to file their initial BOI reports with FinCEN.

Although some commenters proposed extending the deadline to 90 days for all reporting companies created after January 1, 2024 (rather than those created between January 1, 2024, and January 1, 2025), FinCEN declined to broaden the extension. FinCEN reasoned that companies created after January 1, 2025, will be “in a better position” to comply with the BOI Reporting Rule, as the agency expects to expand its education and public outreach efforts over the coming year. FinCEN also concluded that the 30-day filing timeframe was important to ensuring that the information reported is “reasonably up-to-date and accurate.” FinCEN further stated that over the first few years of the BOI Reporting Rule's implementation, the agency will “monitor compliance with the BOI reporting deadlines and will consider whether any adjustments to the permanent reporting timeframe for newly created or registered reporting companies are warranted.”

Looking ahead

Although the Reporting Extension Rule may provide some relief for companies created in 2024, many reporting companies—including companies that regularly create subsidiaries or other new entities—must still address practical challenges in complying with the BOI Reporting Rule. For example, among other things, reporting companies must consider what processes they should implement to ensure ongoing compliance with the rule's requirements (both as to companies created in the past and for new companies created moving forward).

Similarly, as many commenters to the proposed Reporting Extension Rule pointed out, numerous open questions remain over both the substance and mechanics of reporting requirements of the BOI Reporting Rule and the Corporate Transparency Act (CTA) more broadly.² FinCEN declined to answer questions that are not “strictly within the scope” of the BOI Reporting Extension Rule’s notice of proposed rulemaking, but indicated that many questions raised by commenters will be addressed by the agency’s other forthcoming rulemakings under the CTA (e.g., the final rule governing access to the BOI database).³ FinCEN also emphasized that it expects to continue to expand on public outreach and guidance efforts over 2024.

As things stand, numerous fundamental interpretive questions remain over the applicability of the BOI Reporting Rule’s requirements, and it remains unclear if or when FinCEN will issue guidance clarifying these issues. Reporting companies are advised to continue to monitor developments on the BOI Reporting Rule over the coming months.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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- ¹ Under the BOI Reporting Rule, a domestic or foreign reporting company is "created" or "registered" when it receives actual notice or constructive (public) notice, whichever is earlier, that the company has been created or registered.
- ² For example, as FinCEN noted in the Reporting Extension Rule's authorizing release, commenters asked FinCEN to clarify how financial institutions "should approach discrepancies between BOI found in the database and BOI obtained directly from customers" pursuant to FinCEN's existing Customer Due Diligence Rule.
- ³ FinCEN's proposed rule governing access to the national BOI database is discussed in our [December 21, 2022](#), client update.