

Navigate the Current Uncertainty on FinCEN Matters

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Pittsburgh, PA

Firm Alert

UPDATE: Babst Calland Stands Ready to Advise All Clients on FinCEN Matters

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Following up on our [May 2024 Alert](#), Babst Calland would like to remind you of the upcoming January 1, 2025 compliance deadline for the Financial Crimes Enforcement Network (FinCEN) Beneficial Ownership Information Reporting Rule (the “Rule”). Although it is currently being challenged in the courts, the compliance requirements and deadlines remain in effect for the majority of entities at this time.

The Rule requires most business entities to disclose personal information to FinCEN about their “beneficial owners”: individuals who directly or indirectly own or control such entities. Most entities in the U.S. will likely be required to comply with the Rule, and FinCEN estimates approximately 32 million businesses will be required to make a filing. The Rule exempts 23 types of entities from reporting requirements, primarily large or regulated entities already subject to various reporting requirements, such as banks, SEC-reporting companies, insurance companies, and ‘large operating companies’, as well as wholly owned subsidiaries of the foregoing. Every entity organized under U.S. law or registered to do business in the U.S. will need to determine (i) whether it is exempt from reporting requirements and (ii) if not, what information it must report.

Babst Calland is ready to help with all aspects of compliance, from legal analysis of your reporting obligations or exemption therefrom, through the report preparation and filing process using our firm’s secure technology platform. We recommend beginning the process of analysis and information gathering well in advance to ensure compliance by the below deadlines:

- January 1, 2025, for existing entities formed or registered prior to January 1, 2024
- Within 90 calendar days after formation or registration for new entities formed or registered on or after January 1, 2024, and before January 1, 2025

Babst Calland will continue to monitor regulatory and judicial updates and inform you of any significant changes affecting your compliance obligations. Please reach out to fincenassist@babstcalland.com or your Babst Calland client relationship lawyer if you would like Babst Calland to assist you with your company’s compliance obligations under the Rule.

To be clear, Babst Calland will only provide advice related to Rule compliance when explicitly requested to do so. We look forward to servicing your needs on this developing area of the law.

Thank you for your continued trust and partnership.

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