

Supporting Statement
OMB Control Number 1506-0076

Beneficial Ownership Information Reporting Requirements

1. Circumstances necessitating collection of information.

The Financial Crimes Enforcement Network (FinCEN) exercises regulatory functions primarily under the Currency and Foreign Transactions Reporting Act of 1970, as amended by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), Public Law 107–56 (October 26, 2001), and other legislation, including the Corporate Transparency Act (CTA).¹ The overall legislative framework is commonly referred to as the Bank Secrecy Act (BSA). The CTA added a new section to the BSA, 31 U.S.C. 5336, to provide for the collection of information about certain legal entities’ beneficial ownership, which FinCEN implements through regulations at 31 CFR 1010.380.

On March 26, 2025, FinCEN issued an interim final rule entitled “Beneficial Ownership Information Reporting Requirement Revision and Deadline Extension” (IFR).² The IFR revises the information collection requirements in 31 CFR 1010.380, and FinCEN is issuing this statement to support revisions to this information collection. This statement identifies the estimated burden hours for the OMB control number associated with these revised requirements.

For background, on September 30, 2022, FinCEN published the Beneficial Ownership Information Reporting Requirements final rule (Reporting Rule), implementing the CTA’s reporting requirements (31 U.S.C. 5336(b)). The Reporting Rule became effective on January 1, 2024, and was codified in FinCEN’s regulations at 31 CFR 1010.380.³ The Reporting Rule applies to certain entities that the final rule, like the CTA, calls “reporting companies.”⁴ As set forth in the Reporting Rule, 31 CFR 1010.380 requires reporting companies to report certain identifying information about the reporting companies themselves, the beneficial owners who own or control them, and, for

¹ The CTA is Title LXIV of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. 116-283 (January 1, 2021) (the NDAA). Division F of the NDAA is the Anti-Money Laundering Act of 2020 (the AML Act), which includes the CTA. Section 6003(1) of the AML Act defines the BSA as comprising Section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b), Chapter 2 of Title I of Public Law 91-508 (12 U.S.C. 1951 *et seq.*), and Subchapter II of Chapter 53 of Title 31, United States Code. Congress has authorized the Secretary of the Treasury (the Secretary) to administer the BSA. The Secretary has delegated to the Director of FinCEN the authority to implement, administer, and enforce compliance with the BSA and associated regulations. Treasury Order 180–01 (Jan. 14, 2020).

² FinCEN, *Beneficial Ownership Information Reporting Requirement Revision and Deadline Extension Interim Final Rule*, 90 FR 13688 (Mar. 26, 2025).

³ FinCEN, *Beneficial Ownership Information Reporting Requirements Final Rule*, 87 FR 59498 (Sept. 30, 2022). In addition, on November 8, 2023, FinCEN issued a final rule on the use of FinCEN identifiers in beneficial ownership information reporting. FinCEN, *Use of FinCEN Identifiers for Reporting Beneficial Ownership Information of Entities*, 88 FR 76995 (Nov. 8, 2023). On November 30, 2023, FinCEN also issued a final rule amending the Reporting Rule to extend the filing deadline for reporting companies created or registered in 2024. FinCEN, *Beneficial Ownership Information Reporting Deadline Extension for Reporting Companies Created or Registered in 2024 Final Rule*, 88 FR 83499 (Nov. 30, 2023).

⁴ See 31 U.S.C. 5336(a)(11).

companies created on or after January 1, 2024, the company applicants who form or register them.⁵

Prior to the IFR, section 1010.380 required domestic reporting companies and foreign reporting companies⁶ created or registered to do business in the United States before the rule's effective date of January 1, 2024, to file initial beneficial ownership information (BOI) reports with FinCEN by January 1, 2025, one year after the effective date of the regulations.⁷ Domestic reporting companies created on or after January 1, 2024, and those foreign reporting companies registered to do business in the United States in 2024 and before January 1, 2025, had 90 days to file their initial BOI reports with FinCEN.⁸ Domestic and foreign reporting companies created on or after January 1, 2025, had 30 days to file their initial BOI reports with FinCEN.⁹

The IFR narrowed the Reporting Rule's BOI reporting requirements. First, FinCEN exercised its authority under the CTA, specifically 31 U.S.C. 5336(a)(11)(B) (xxiv), to exempt domestic entities from the Reporting Rule. The rule text provides for this change by redefining the term "reporting company" at 31 CFR 1010.380(c) to remove the previously defined term "domestic reporting companies" at 31 CFR 1010.380(c)(1)(i). Moreover, the IFR added an exemption to the list of exempted entities at 31 CFR 1010.380(c)(2). This exemption applies to "any entity that is: (A) a corporation, limited liability company, or other entity; and (B) created by the filing of a document with a secretary of state or any similar office under the law of a State or Indian tribe." These revisions relieve all entities previously known as "domestic reporting companies" and their beneficial owners from the requirements to file initial BOI reports and to update or correct previously filed BOI reports.

Second, FinCEN used its general BSA exemptive authority, 31 U.S.C. 5318(a)(7), to exempt foreign reporting companies, and their U.S. person beneficial owners, from the requirement to report to FinCEN the BOI of any U.S. persons who are beneficial owners of the foreign reporting company. Foreign reporting companies whose only beneficial owners are U.S. persons are exempt from the requirement to report any beneficial owners. FinCEN used this same authority to revise the special reporting rule for foreign pooled investment vehicles, 31 CFR 1010.380(a)(b)(2)(iii), to exempt such entities from having to report the BOI of U.S. persons who exercise substantial control over the entity.¹⁰

⁵ See FinCEN, *Beneficial Ownership Information Reporting Requirements*, 87 FR 59498, 59498–99 (Sept. 30, 2022); 31 CFR 1010.380(b)(2)(iv).

⁶ A domestic reporting company was previously defined at 31 CFR 1010.380(c)(1)(i) as "a corporation; a limited liability company; or other entity that is created by the filing of a document with a secretary of state or any similar office under the law of a state or Indian tribe." A foreign reporting company was defined at 31 CFR 1010.380(c)(1)(ii) as "a corporation, limited liability company, or other entity that is formed under the law of a foreign country and that is registered to do business in the United States by the filing of a document with a secretary of state or equivalent office under the law of a state or Indian tribe."

⁷ 31 CFR 1010.380(a)(1)(iii).

⁸ 31 CFR 1010.380(a)(1)(i)(A).

⁹ 31 CFR 1010.380(a)(1)(i)(B).

¹⁰ Under the IFR, a pooled investment vehicle that would be a reporting company but for the exemption at 31 CFR 1010.380(c)(2)(xviii) and is formed under the laws of a foreign country, also referred to as a foreign pooled investment vehicle, is required to report BOI solely with respect to a non-U.S. person who

The IFR retains the requirement for a foreign reporting company to report the BOI of a non-U.S. person beneficial owner to FinCEN, while extending the deadline for a foreign reporting company to file an initial BOI report, or update or correct a previously filed BOI report, to April 25, 2025 or 30 days after the foreign reporting company's registration to do business in the United States, whichever is later.

For these foreign reporting companies still required to report, the IFR generally left the other BOI reporting requirements in the Reporting Rule unchanged. Subject to the IFR's exemptions, 31 CFR 1010.380 still requires foreign reporting companies to report to FinCEN information identifying themselves and specific individuals, namely: any foreign individual who directly or indirectly exercises substantial control over the reporting company, or who owns or controls 25 percent or more of the entity's ownership interests (each a "beneficial owner"); and the individual who filed the documents necessary to form or register the reporting company with a secretary of state or similar office, as well as the individual (if more than one individual is involved in the filing) who is primarily responsible for directing or controlling the filing (each a "company applicant").¹¹

Finally, the Reporting Rule requires individuals and entities wishing to obtain a unique identifier to be reported in lieu of sensitive identifying information in certain circumstances (a "FinCEN identifier").¹² Individuals or entities that obtain FinCEN identifiers will have to report updated or corrected information about themselves if previously reported information becomes out of date or was incorrect when filed.

2. Method of collection and use of data.

FinCEN is collecting BOI from reporting companies through a form, referred to as a BOI Report (BOIR), that is available electronically. With respect to a reporting company that chooses to obtain a FinCEN identifier, FinCEN is collecting a reporting company's FinCEN identifier through a BOIR. With respect to an individual who chooses to obtain a FinCEN identifier, FinCEN is collecting an individual's identifying information through a separate electronically available application known as the FinCEN identifier application. An individual can also use a FinCEN identifier application to provide updated identifying information associated with the individual's FinCEN identifier.

exercises substantial control over the entity. If more than one non-U.S. person exercises substantial control over the foreign pooled investment vehicle, the foreign pooled investment vehicle is required to report information with respect to the non-U.S. person who has the greatest authority over the strategic management of the entity. If no individual with substantial control is a U.S. person, the foreign pooled investment vehicle is not required to report any beneficial owners.

¹¹ FinCEN, *Beneficial Ownership Information Reporting Requirements*, 87 FR 59498, 59594-96 (Sept. 30, 2022); see also 31 U.S.C. 5336(a)(3) (beneficial owner), (2) (applicant).

¹² See 31 U.S.C. 5336(a)(6), (b)(3).

The information collected is intended to assist law enforcement in anti-money laundering, tax, and other financial investigations; advance counterterrorism, counter-proliferation, and broader national security and intelligence interests; improve financial institutions' ability to assess and mitigate risk; help prevent evasion of financial sanctions; facilitate tax compliance; enhance the financial transparency; and advance U.S. compliance with international standards and information sharing commitments. Moreover, the BOI required by the CTA may make illicit financial activity in the United States more difficult by increasing barriers for illicit actors to covertly transact through shell or front companies within the U.S. economy. Specifically, the Reporting Rule, as amended by the IFR, addresses the risks of foreign illicit actors accessing the U.S. financial system through the use of legal entities created in foreign jurisdictions but registered to do business in the United States. As FinCEN has previously noted, “[c]orrupt foreign officials, sanctions evaders, and narco-traffickers, among others, exploit the current gap in the U.S. BOI reporting regime to park their ill-gotten gains in a stable jurisdiction, thereby exposing the United States to serious national security threats.”¹³

3. Use of improved information technology to reduce burden.

Reporting companies and persons applying for FinCEN identifiers will be required to submit their information electronically.

4. Efforts to identify duplication.

As described in more detail further below, FinCEN determines there are no Federal rules that directly or fully duplicate or overlap with the Reporting Rule, as amended by the IFR, or that require the reporting of the same information. Therefore, FinCEN determines there is no government source of information already available to FinCEN that is equivalent to the information required to be collected under the CTA.

Additionally, FinCEN determines there is no information commercially available that could be used or modified to fully satisfy the statutory requirements of the CTA. While FinCEN recognizes there are commercial databases for company ownership information, including BOI, the information they collect varies widely in terms of the types of identifying information collected, the frequency with which the identifying information is updated, and the permissible purposes for FinCEN to use commercially available BOI. Moreover, these commercial databases lack any enforcement mechanism to discourage inaccurate or incomplete reporting, thereby reducing their reliability and usefulness for law enforcement and national security purposes.

Briefly, FinCEN undertook a number of efforts to identify duplication, including several areas of possible or apparent partial duplication or overlap with the Reporting Rule, as amended by the IFR. Below is a summary of the areas that FinCEN reviewed to identify duplication, but, as noted previously and as further explained below, FinCEN has determined there are neither commercial nor government sources of BOI that fulfill the

¹³ See, e.g., FinCEN, Notice of Proposed Rulemaking, *Beneficial Ownership Information Reporting Requirements*, 86 FR 69920, 69928 (Dec. 8, 2021).

statutory requirements of the CTA to collect, verify, and make accessible to government authorities the BOI of a reporting company for the purpose to combat money laundering, terrorist financing, and other illicit finance activities. In addition, FinCEN notes that the likelihood of overlap and the possibility of duplicate reporting is significantly lower after the IFR, particularly since the IFR limits a reporting company to what has been previously referred to as a “foreign reporting company,” and the IFR limits the reporting of BOI only to a non-U.S. person.

- The CTA requires the Administrator for Federal Procurement Policy to revise the Federal Acquisition Regulation maintained under 41 U.S.C. 1303(a)(1) to require any contractor or subcontractor that is subject to the reporting requirements of the CTA and the Reporting Rule to disclose the same information to the Federal government as part of any bid or proposal for a contract that meets the threshold set in 41 U.S.C. 134.¹⁴ Additionally, Congress created a new beneficial ownership disclosure requirement for the database of Federal agency contract and grant officers that already exists pursuant to 41 U.S.C. 2313(d). Through collaboration with the Administrator for Federal Procurement Policy and other government agencies as necessary, FinCEN continues to identify efforts that reduce, to the extent possible, any duplication of the CTA requirements. At this time, FinCEN determines there is no duplication of the information collected by the Administrator for Federal Procurement Policy.
- FinCEN is aware that the IRS collects taxpayer information that may include information related to beneficial ownership, such as information on entity ownership structure and identifying information about such entities and their owners. However, the IRS does not collect the same information required under the CTA. Moreover, the disclosure of taxpayer information is limited by statute, and the IRS generally does not have authority to disclose such information for the purposes specified in the CTA. Therefore, FinCEN determines there is no duplication with the information collected by the IRS.
- FinCEN is also aware that certain covered financial institutions subject to FinCEN’s 2016 rule regarding customer due diligence requirements for financial institutions (2016 CDD Rule)¹⁵ are required to collect certain beneficial ownership information from legal entities that establish new accounts.¹⁶ However, the 2016 CDD Rule does not require covered financial institutions to file a report containing BOI with FinCEN, and thereby limits the accessibility of BOI to law enforcement and national security agencies.¹⁷

¹⁴ CTA, Section 6403(c)(1).

¹⁵ FinCEN, *Customer Due Diligence Requirements for Financial Institutions*, 81 FR 29398 (May 11, 2016).

¹⁶ See 31 CFR 1020.210 (CDD Rule for banks), 1023.210 (CDD Rule for broker/dealers), 1024.210 (CDD Rule for mutual funds), 1026.210 (CDD Rule for futures commission merchants and introducing brokers in commodities).

¹⁷ See, e.g., FinCEN, *Customer Due Diligence Requirements for Financial Institutions*, 81 FR 29398, 29401 (May 11, 2016) (discussion of multipronged strategy in the implementing notice for the 2016 CDD Rule).

- Finally, FinCEN is aware that the Secure Federal LEASEs Act requires most Federal agencies with leasing authority to identify the beneficial owners of prospective lessors before entering into leases of space intended as high security leased space, in conformity with a government-wide plan to be developed by General Services Administration (GSA).¹⁸ At this time, FinCEN determines there is no duplication of the information collected by the GSA.

5. Methods to minimize burden on small businesses or other small entities.

FinCEN recognizes in the Reporting Rule that BOI reporting requirements impose burdens on a small business that meets the definition of a reporting company. With the IFR, FinCEN is advancing Executive Order 14192’s policies to “significantly reduce the private expenditures required to comply with Federal regulations to secure America’s economic prosperity and national security and the highest possible quality of life for each citizen” and “alleviate unnecessary regulatory burdens placed on the American people,”¹⁹ including small businesses or other small entities.

Prior to the IFR, many small businesses subject to the Reporting Rule were what the Rule labeled “domestic reporting companies.” By exempting these domestic reporting companies from the Reporting Rule, the IFR thereby minimizes the burden on small business or other small entities but still fulfills the statutory requirements of the CTA. Small businesses or other small entities remain subject to the Reporting Rule only if they are foreign entities registered to do business in the United States, typically through the filing of a business registration document, or similar document, with state authorities in the United States (what the Reporting Rule previously referred to as “foreign reporting companies”). As described in the IFR, foreign companies, even if they are small businesses, present higher risks for money laundering and terrorist financing, while raising fewer concerns regarding regulatory burdens that would not serve the public interest.

FinCEN intends to further minimize the burden on small businesses or other small entities subject to the Reporting Rule by updating the Small Entity Compliance Guide and other guidance materials to reflect the IFR’s changes to BOI reporting requirements and clearly explain the information that needs to be reported.

6. Consequences to the Federal government of not collecting the information.

Legal entities, including corporations, limited liability companies, and similar entities, play an essential and legitimate role in the U.S. and global economies. However, they can also be used to engage in illicit activity, launder the proceeds of illicit activity, or enable those who threaten U.S. national security to access and transact in the U.S. economy. Although the IFR exempts domestic companies and their beneficial owners

¹⁸ The Secure Federal Leases from Espionage and Suspicious Entanglements Act (Secure Federal LEASEs Act) is P.L. 116-276, 134 Stat. 3362 *et seq.* (Dec. 31, 2020).

¹⁹ Executive Order 14192, *Unleashing Prosperity Through Deregulation*, 90 FR 9065 (Jan. 31, 2025).

from the requirements of the Reporting Rule based on considerations of burden discussed above, the IFR explains that BOI reporting of foreign reporting companies is needed because these entities present heightened national security and illicit finance risks. For instance, the IFR preamble notes that Congress, through certain provisions in the CTA, recognized these heightened concerns about national security and illicit finance risks posed by foreign ownership or foreign control of reporting companies. Congress thus limited certain CTA exemptions to companies that are exclusively domestic.

The IFR preamble also discusses the Financial Action Task Force (FATF)²⁰ Report on the Concealment of Beneficial Ownership and notes that the majority of cases analyzed by FATF involving shell companies being used for illicit purposes included a corporation located in a foreign jurisdiction.

Requiring the disclosure of beneficial owners and company applicants of foreign reporting companies is thus intended to help the Federal government protect U.S. national security, fight financial and other crime, and promote financial integrity and compliance with key international standards. Not collecting this information would deprive authorized recipients, such as those engaged in law enforcement or national security activities, of a valuable source of information to combat money laundering, terrorist financing, and other illicit activities.

7. Special circumstances requiring data collection inconsistent with guidelines.

There are no special circumstances under which the final rule will require data collection inconsistent with guidelines.

8. Consultation with individuals outside of the agency on availability of data, frequency of collection, clarity of instructions and forms, and data elements.

FinCEN is accepting comments on this IFR. FinCEN will assess the exemptions, as appropriate, in light of those comments and intends to issue a final rule this year. The comment period closes on May 27, 2025.

9. Payments and gifts.

No payments or gifts were made to respondents.

10. Assurance of confidentiality of responses.

²⁰ The FATF, of which the United States is a founding member, is an international, inter-governmental task force whose purpose is the development and promotion of international AML/CFT standards and the effective implementation of legal, regulatory, and operational measures to combat money laundering, terrorist financing, the financing of proliferation, and other related threats to the integrity of the international financial system. The FATF assesses over 200 jurisdictions against its minimum standards, known as FATF Recommendations.

Pursuant to 31 U.S.C. 5336(c), BOI and FinCEN identifier information collected under 31 U.S.C. 5336(b) are confidential and may not be disclosed except as authorized by the CTA. The CTA authorizes disclosure of BOI to certain categories of users, subject to appropriate protocols to protect the security and confidentiality of the information. Subject to certain limitations and access requirements, authorized users of BOI include: Federal agencies engaged in national security, intelligence, or law enforcement activities; state, local, or Tribal law enforcement agencies; foreign law enforcement, judicial, or prosecutorial authorities; financial institutions subject to customer due diligence requirements; certain Federal functional regulators and other appropriate regulatory agencies; and Department of the Treasury officers and employees for their official duties, including for tax administration purposes.²¹

On December 21, 2023, FinCEN issued a final rule regarding access to BOI that provides the specific protocols that govern authorized users' access to BOI.²² FinCEN also has issued a new System of Records Notice (SORN) for BOI collected in connection with the implementation of the CTA, which publicly identified the routine uses of the information.²³

11. Justification of sensitive questions.

There are no questions of a sensitive nature in the collection of information, such as sexual behavior and attitudes, religious beliefs, or other matters that are commonly considered private. Access to any personally identifiable information collected under the CTA will be strictly controlled, as outlined in the SORN applicable to the information (see item 10 above).

12. Estimated annual hourly burden.

FinCEN has estimated the annual hourly burden for two information collections under the rule: BOI reports and individuals obtaining FinCEN identifiers.²⁴ Each information collection includes estimates for initial and updated reports or applications, as the IFR continues to require updated information be submitted to FinCEN if there are changes after the submission of an initial report. Additionally, each information collection includes separate estimates for Year 1 and annual estimates for subsequent years (Year 2+). The difference in estimated burdens between these years (Year 1 and Year 2+) is because the IFR requires all currently existing companies with an obligation to report—now by the IFR narrowed to certain foreign companies—to comply with requirements within Year 1, whereas in subsequent years (Year 2+), the reporting burden would only accrue to entities newly formed in that year.

²¹ 31 U.S.C. 5336(c)(2)(B), (C), and (c)(5).

²² FinCEN, *Beneficial Ownership Information Access and Safeguards Final Rule*, 88 FR 88732 (Dec. 22, 2023).

²³ FinCEN, *Privacy Act of 1974; System of Records*, 88 FR 62889 (Sept. 13, 2023).

²⁴ The estimated number of BOI reports and individuals obtaining a FinCEN identifier each year are approximate and not precise estimates. Further, any rounding produces no meaningful difference in the general magnitude of FinCEN's estimates or conclusions. FinCEN does not separately calculate a burden estimate for entities requesting a FinCEN identifier because FinCEN assumes this would already be accounted for in the process and cost of submitting the BOI reports.

FinCEN's revised estimates of burden make use of the same methods and assumptions described in the previous supporting statement and BOI Rule.²⁵

a. BOI Reports

Frequency: As required.

Estimated Number of Reports:

Initial reports, Year 1: 25,000 reports.²⁶

Initial reports, Year 2+: 5,000 reports.²⁷

Initial reports, Years 1-3 average: 11,667 reports.

Updated reports, Year 1: 4,750 reports.²⁸

Updated reports, Year 2+: 8,750 reports.²⁹

Updated reports, Years 1-3 average: 7,417 reports.

Estimated Total Reporting Burden Hours:

Applying the same assumptions about the distribution of legal entity complexity as employed in the prior Reporting Rule, FinCEN estimates the following aggregate burden hours associated with the respective estimated numbers of reports above.

Initial reports, Year 1: 91,050 hours.

Initial reports, Year 2+: 18,210 hours.

Initial reports, Years 1-3 average: 42,490 hours.

Updated reports, Year 1: 5,814 hours.

Updated reports, Year 2+: 10,711 hours.

²⁵ See the first two supporting statements for OMB control number 1506-0076 at https://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=202209-1506-002 and at https://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=202309-1506-001.

²⁶ This estimate aligns with FinCEN's estimate of existing reporting companies in 2025, based on internal data on the number of foreign companies which have already reported before the IFR was published.

²⁷ *Id.*

²⁸ FinCEN estimated updated reports using a methodology that considered the probability of an event resulting in a change to the reported information within the first year of filing an initial report— $25,000 \times (0.19) = 4,750$. See FinCEN, *Beneficial Ownership Information Reporting Requirements*, 87 FR 59498, 59576 (Sept. 30, 2022).

²⁹ FinCEN estimated updated reports using a methodology that considered the probability of an event resulting in a change to the reported information, based on internal data on the number of foreign companies which already reported in calendar year 2024— $(25,000 + 5,000 + 5,000) \times (0.25) = 8,750$.

Updated reports, Years 1-3 average: 9,079 hours.

b. Individual FinCEN Identifiers

Frequency: As required.

Estimated Number of Applications:

Initial applications, Year 1: 200,000 applications.³⁰

Initial applications, Year 2+: 40,000 applications.³¹

Initial applications, Years 1-3 average: 93,333 applications.

Updated applications, Year 1: 16,320 applications.³²

Updated applications, Year 2+: 22,848 applications.³³

Updated applications, Years 1-3 average: 20,672 applications.

Estimated Total Reporting Burden Hours:

Initial applications, Year 1: 66,667 hours.³⁴

Initial applications, Year 2+: 13,333 hours.³⁵

Initial applications, Years 1-3 average: 31,111 hours.

Updated applications, Year 1: 2,720 hours.³⁶

Updated applications, Year 2+: 3,808 hours.³⁷

³⁰ Based on internal data from foreign companies which have already reported before the IFR was published, FinCEN estimated this to be approximately 8 individual filers per initial BOI report in the Year 1 estimate.

³¹ Based on internal data from foreign companies which have already reported before the IFR was published, FinCEN estimated this to be approximately 8 individual filers per initial BOI reports in Year 2+ estimate.

³² As discussed in the Reporting Rule, FinCEN assesses that 8.16 percent of beneficial owners may have a change in address within a year, resulting in an updated identifier report— $200,000 \times (0.0816) = 16,320$. See FinCEN, *Beneficial Ownership Information Reporting Requirements*, 87 FR 59498, 59574 (Sept. 30, 2022).

³³ As discussed in the Reporting Rule, FinCEN assesses that 8.16 percent of beneficial owners may have a change in address within a year, resulting in an updated identifier report— $(200,000 + 40,000 + 40,000) \times (0.0816) = 22,848$. See FinCEN, *Beneficial Ownership Information Reporting Requirements*, 87 FR 59498, 59574 (Sept. 30, 2022).

³⁴ $200,000 \times 1/3 \text{ hour} = 66,667$.

³⁵ $40,000 \times 1/3 \text{ hour} = 13,333$.

³⁶ As discussed in the Reporting Rule, FinCEN assesses that 8.16 percent of beneficial owners may have a change in address within a year, resulting in an updated identifier report. $200,000 \times (0.0816) \times 1/6 \text{ hour} = 2,720$. See 87 FR at 59574.

³⁷ $40,000 \times (0.0816) \times 1/6 \text{ hour} = 544$.

Updated applications, Years 1-3 average: 3,445 hours.

The average total annual hourly burden of Years 1-3 of these collections is 86,125 per year, on average.

13. Estimated annual cost to respondents for hour burdens.

As noted in the prior response, FinCEN has estimated annual cost for two information collections under the IFR.³⁸ Each information collection includes estimates for costs of initial and updated reports or applications. Additionally, each information collection includes cost estimates for Year 1 and then annual cost estimates for any year after Year 1 (Year 2+). FinCEN applies an average wage rate of \$54.71 throughout the analysis.³⁹

a. BOI Reports

Using the same time burden estimates per type of reporting company as in the previous final rule, FinCEN estimates the average cost of filing an initial BOI report per reporting company to be \$82.06 for those with a simple ownership structure, \$1,337.37 for those with an intermediate reporting structure, and \$2,592.67 for those with a complex ownership structure. FinCEN estimates the average cost of filing an updated BOI report per reporting company to be \$36.47 for those with a simple ownership structure, \$104.86 for those with an intermediate ownership structure, and \$155.01 for those with a complex ownership structure.

Estimated Total Reporting Cost:

Initial reports, Year 1: \$16,456,151.26.

Initial reports, Year 2+: \$22,130,486.82.

Initial reports, Years 1-3 average: \$20,239,041.64.

Updated reports, Year 1: \$318,093.19.

³⁸ The aggregate costs of BOI reports and individuals obtaining a FinCEN identifier each year are approximate and not precise estimates. Further, any rounding produces no meaningful difference in the magnitude of FinCEN's estimates or conclusions. See FinCEN, BOIR Form Supporting Statement (Sept. 29, 2023), https://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=202309-1506-001.

³⁹ To estimate the average wage rate, FinCEN estimated a base wage rate of \$38.53 per hour. This updated estimate derives from the BLS May 2023 Wage Estimates and represents the average reported hourly wage rates of three major occupational groups assessed to be most likely responsible for executing filings on behalf of reporting companies: management; business and financial operations; and office and administrative support. See U.S. Bureau of Labor Statistics, National Occupational Employment and Wage Estimates United States (May 2021), https://www.bls.gov/oes/current/oes_nat.htm. FinCEN multiplied \$38.53 by a private industry benefits factor of 1.42. The ratio between benefits and wages for private industry workers is \$13.20 (hourly benefits)/\$31.47 (hourly wages) = 0.42, as of December 2024. The benefit factor is 1 plus the benefit/wages ratio, or 1.42. See U.S. Bureau of Labor Statistics, *Employer Cost for Employee Compensation: Private industry dataset*, (Mar. 2025), <https://www.bls.gov/web/ecec/ecec-private-dataset.xlsx>. Therefore, the fully loaded wage rate is \$54.71 per hour.

Updated reports, Year 2+: \$585,961.14.

Updated reports, Years 1-3 average: \$496,671.83.

b. Individuals Applying for a FinCEN Identifier

Estimated Total Reporting Cost:

Initial applications, Year 1: \$3,647,191.11.⁴⁰

Initial applications, Year 2+: \$729,438.22.⁴¹

Initial applications, Years 1-3 average: \$1,702,022.52.

Updated applications, Year 1: \$148,805.40.⁴²

Updated applications, Year 2+: \$208,327.56.⁴³

Updated applications, Years 1-3 average: \$188,486.84.

The average total annual cost of Years 1-3 of these collections is \$22,507,178.50 per year, on average.

14. Estimated annual cost to the Federal government.

Administering the regulation would entail costs to FinCEN. Such costs include information technology costs associated with the ongoing annual maintenance necessary to securely collect, process, store, and make available electronic submissions of BOI data, as well as any changes or enhancements required in support of the IFR. Prior to the IFR, FinCEN's technology costs associated with the Reporting Rule were \$25.6 million annually. While costs for cloud storage of data or support desk costs may be reduced by the changes in reporting scope introduced by the IFR, there are additional changes and potential new requirements that may necessitate additional IT developments and associated costs. These requirements are not fully known at this time; however, FinCEN does not expect these new requirements to engender costs in excess of the current annual technology costs.

FinCEN will incur additional costs, besides those estimated above, in order to ensure successful implementation of and compliance with the BOI reporting requirements. These include personnel to support CTA implementation, draft regulations, conduct regulatory impact analyses and stakeholder outreach, conduct audits and inspections, adjudicate requests for BOI, provide training on the requirements, publish documents such as guidance and FAQs, and conduct outreach to and answer inquiries from the public. FinCEN estimates that there will be personnel costs of not

⁴⁰ $(\$54.71 \times 1/3 \text{ hour}) \times 200,000 = \$3,647,191.11.$

⁴¹ $(\$54.71 \times 1/3 \text{ hour}) \times 40,000 = \$729,438.22.$

⁴² $(\$54.71 \times 1/6 \text{ hour}) \times 16,320 = \$148,805.40.$

⁴³ $(\$54.71 \times 1/6 \text{ hour}) \times 22,848 = \$208,327.56.$

more than \$2 million associated with the rule in Fiscal Year 2025, with continuing recurring costs of roughly the same magnitude for ongoing implementation, outreach and enforcement each year thereafter.

Therefore, for purposes of estimating costs to the Federal government, total costs to FinCEN are expected to be approximately \$27.6 million annually.

15. Reason for change in burden.

The estimated change in total reporting burden hours, for PRA purposes on a going-forward basis,⁴⁴ is a reduction from the previous ICR summary of burden by approximately 53 million burden hours per year, on average, rounded to the nearest million.⁴⁵ The burden estimate has decreased due to the IFR narrowing the Reporting Rule’s BOI reporting requirement where domestic entities previously defined as “domestic reporting companies” are excluded, and foreign entities are no longer required to report the BOI of any U.S. persons who are beneficial owners of a foreign reporting company. The IFR has substantially decreased the scope and number of reporting companies, particularly with respect to domestic and foreign entities previously subject to the Reporting Rule.

The estimated change in total reporting cost is a reduction by approximately \$9 billion dollars per year, on average, rounded to the nearest billion.⁴⁶ The estimated annual cost to the Federal government is expected to decrease by approximately \$8 million.

16. Plans for tabulation, statistical analysis, and publication.

The information will not be tabulated or compiled for publication.

17. Request not to display expiration date of OMB control number.

FinCEN requests that it not be required to display the expiration date so that the regulations and forms will not have to be amended for the new expiration date every three years.

18. Exceptions to the certification statement.

There are no exceptions to the certification statement.

⁴⁴ This expected change in reporting burden is broadly consistent with the change in burden hours presented in the IFR (approximately 91 million), which utilized a looking-backward method of estimation. These methods only differ in the assignment of when estimated annual burdens are considered to have effectively been realized.

⁴⁵ This estimate represents the difference between the three-year average burden in the IFR (approximately 86 thousand) and the five-year average burden presented in the Reporting Rule (approximately 53 million).

⁴⁶ This figure is the difference between the three-year average cost presented in the Interim Final Rule (approximately \$22 million) and the five-year average cost presented in the Original Rule issued in 2022 (approximately \$9 billion).