

Why Get a FinCEN ID for Complying with the New FinCEN Beneficial Ownership Reporting Requirements?

FinCEN Identifiers (FinCEN ID) for use in the new Beneficial Ownership reporting rules under the Corporate Transparency Act are not mandatory, but they can still be extremely useful to reporting companies and individuals whose information must be reported. A FinCEN ID is a unique 12-digit number that FinCEN will issue upon request after receiving required information. Doing so can simplify the reporting process, allowing entities or individuals to quickly reference and update identifying information previously provided to FinCEN.

A FinCEN ID will greatly benefit entities that complete multiple filings, and more importantly, shift the responsibility for updating reported information to the individuals whose information the reporting company has to include on their BOI report. This benefit to the reporting company CANNOT be overstated. A FinCEN ID can also ease the administrative burden of reporting the same identifying information for numerous reporting companies within a corporate family, and also for individuals who are beneficial owners involved with multiple reporting companies. Having a single number to reference is quicker than repeatedly gathering, verifying, and submitting the same pieces of information on various FinCEN reports.

Applying for and using a FinCEN ID can also be an effective data security tool because there is less risk in using a FinCEN ID than submitting personal identifiable information multiple times through numerous reporting entities. While you may not have a choice about giving some information to the government, by getting a FinCEN ID you can limit how many people have access to your information.

FinCEN's current FAQ's on FinCEN IDs to help you understand the process and benefits are located at https://www.fincen.gov/boi-faqs#M_1

You can apply for a FinCEN Identifier at <https://fincenid.fincen.gov/landing>