The Reporting NPRM proposed regulations specifying what BOI must be reported to FinCEN pursuant to CTA requirements, by whom, and when. In addition, the Reporting NPRM proposed processes for obtaining, updating, and using FinCEN identifiers. The Reporting NPRM included a 60-day comment period, which closed on February 7, 2022, and FinCEN received over 240 comments on the NPRM, including multiple comments about the proposed processes for obtaining, updating, and using FinCEN identifiers. On September 30, 2022, FinCEN published the Final Reporting Rule, with an effective date of January 1, 2024.  The Final Reporting Rule requires certain corporations, limited liability companies, and other similar entities (collectively, “reporting companies”) to report certain identifying information about the beneficial owners who own or control such entities and the company applicants who form or register them. These requirements are intended to facilitate access to BOI for certain authorized recipients, including law enforcement and regulators, for the purposes of countering money laundering and the financing of terrorism, and for other specific purposes. The Final Reporting Rule requires reporting companies to report to FinCEN within prescribed time periods information about themselves, as well as information about two categories of individuals: (1) the beneficial owners of the reporting company; and (2) the company applicants, who are the individuals who filed a document to create the reporting company or register it to do business. The Final Reporting Rule also established the rules for individuals and entities to obtain and update FinCEN identifiers, and the rules for use of an individual’s FinCEN identifier. However, FinCEN declined to finalize the portion of the proposed rule pertaining to the use of an entity’s FinCEN identifier. Rather, FinCEN re-proposed a small part of the Reporting Requirements, 86 FR 69920 (December 8, 2021).
entity’s FinCEN identifier and full legal name in lieu of the information required under 31 CFR 1010.380(b)(1) with respect to the beneficial owners of the reporting company, but only if three conditions are met: (1) the entity has obtained a FinCEN identifier and provided that FinCEN identifier to the reporting company; (2) an individual is or may be a beneficial owner of the intermediate entity; and (3) the beneficial owners of the entity and of the reporting company are the same individuals.10 This proposal reflected FinCEN’s understanding that use of the entity FinCEN identifier would best satisfy the CTA’s overall statutory scheme—in which reporting companies would be equivalent to the intermediate entity’s FinCEN identifier if a beneficial owner of the intermediate entity holds an interest in the reporting company. FinCEN also proposed to add a clause to give effect to the principle that a reporting company should be able to use or value to reporting companies, clarifying that 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. FinCEN considers both of these changes to improve the clarity of the provision and make it more likely that reporting companies will use the FinCEN identifier intended.

At the same time, however, FinCEN has not adopted all of the revisions suggested by commenters. For example, FinCEN has not removed the regulatory text that allows use of an entity FinCEN identifier if a beneficial owner of the entity “may be” a beneficial owner of the reporting company by virtue of an interest held in an intermediate entity. As noted above, the CTA expressly permits this, and FinCEN retains the clause to give effect to the principle that a reporting company could be able to report an entity FinCEN identifier when it has a good faith belief that the use is appropriate.

FinCEN also declines to change the rule text to more specifically address the requirement that a reporting company update its BOI report if the beneficial owners of the entity whose FinCEN identifier the reporting company has previously reported cease to be the same as the beneficial owners of the reporting company. FinCEN believes that the language as proposed is already sufficiently clear on this point. The commenters who raised this issue correctly understand that if at any time the reportable beneficial owners of either the reporting company or the entity whose FinCEN identifier was reported changes such that the two are no longer identical, then the reporting company must file an update with FinCEN and can no longer report the relevant entity’s FinCEN identifier. If the commenters understood this requirement and additional clarification is not necessary and, if appropriate, FinCEN may consider clarifying this requirement in the context of guidance or FAQs.

Finally, with respect to the comments that questioned whether the entity FinCEN identifier would actually be of use or value to reporting companies, FinCEN has acknowledged that it can only speculate as to the likely rate at which reporting companies will request entity FinCEN identifiers and the likelihood that they will report entity FinCEN identifiers in lieu of information about individual beneficial owners. FinCEN will monitor developments on this subject closely as the Final Reporting Rule is implemented.

IV. Regulatory Analysis

This rule is necessary to comply with and implement the CTA and is consistent with the CTA’s statutory mandate that FinCEN issue regulations regarding access to beneficial ownership information.11 Specifically, the 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. In particular, the rule establishes a process through which a reporting company may report another reporting company’s entity FinCEN identifier and full legal name in lieu of the information otherwise required under 31 CFR 1010.380(b)(1), subject to certain limitations.

This rule affects reporting companies that choose to report the entity FinCEN identifier of another reporting company in their BOI report. It may also affect reporting companies deciding whether to request an entity FinCEN identifier.

FinCEN has analyzed the final rule as required under Executive Orders 12866, 13563, and 14094, the Regulatory Flexibility Act, the Unfunded Mandates Reform Act, and the Paperwork Reduction Act. This final rule will not have an annual effect on the economy of $200 million or otherwise constitute a “significant regulatory action” as defined in section 3(f) of Executive Order 12866, as amended. Pursuant to the Regulatory Flexibility Act, FinCEN certifies that this rule will not have a significant economic impact on a substantial number of small entities. FinCEN assessed that this rule results in no additional costs to small entities. Furthermore, pursuant to the Unfunded Mandates Reform Act, FinCEN concluded that the rule will not result in...
in an expenditure of $177 million or more annually by State, local, and Tribal governments or by the private sector. Finally, FinCEN assesses that this rule will not result in any additional burden or costs considered under the framework of the Paperwork Reduction Act (PRA). FinCEN does not assess any additional quantifiable costs or benefits, measured in burden hours, associated with the rule beyond those separately considered in the Final Reporting Rule’s regulatory impact analysis (RIA). Further, FinCEN assesses that the rule is consistent with the assumption in the Final Reporting Rule’s RIA that the cost associated with using entities’ FinCEN identifiers is accounted for in the cost estimates for the BOI report. Additionally, the rule can reduce burden for reporting companies that choose to report another reporting company’s FinCEN identifier because the filing reporting company will provide fewer pieces of information on its BOI report. However, FinCEN assesses such burden reduction is likely to be minimal relative to the total cost of filling out and submitting the report. Furthermore, it is unknown to FinCEN how many entities will choose to utilize entity FinCEN identifiers, as provided for in this rule. Accordingly, FinCEN does not estimate costs or benefits associated with this rule beyond what is stated in the Final Reporting Rule RIA.


The rule is effective November 25, 2023 from 4 through 6 p.m. ADDRESSES: To view documents mentioned in this preamble as being available in the docket, go to https://www.regulations.gov, type USCG–2023–0512 in the search box and click “Search.” Next, in the Document Type column, select “Supporting & Related Material.” FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call or email Chief Petty Officer Elvin Rodriguez, Waterways Management Division, U.S. Coast Guard; telephone 910–772–2239, email NCMarineevents@uscg.mil.

**SUPPLEMENTARY INFORMATION:**

I. Table of Abbreviations

<table>
<thead>
<tr>
<th>CFR</th>
<th>Code of Federal Regulations</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHS</td>
<td>Department of Homeland Security</td>
</tr>
<tr>
<td>FR</td>
<td>Federal Register</td>
</tr>
<tr>
<td>NPRM</td>
<td>Notice of proposed rulemaking</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Section</th>
<th>United States Code</th>
</tr>
</thead>
</table>

**PART 1010—GENERAL PROVISIONS**

1. The authority citation for part 1010 continues to read as follows:


2. Amend § 1010.380, added September 30, 2022 at 87 FR 59498, and effective January 1, 2024, by adding paragraph (b)(4)(ii)(B) to read as follows:

**§ 1010.380 Reports of beneficial ownership information.**

<table>
<thead>
<tr>
<th>*</th>
<th>*</th>
<th>*</th>
<th>*</th>
<th>*</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b)</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>(4)</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>(ii)</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
</tbody>
</table>

(B) A reporting company may report another entity’s FinCEN identifier and full legal name in lieu of the information required under paragraph (b)(1)(ii) of this section with respect to the beneficial owners of the reporting company only if:

1. The other entity has obtained a FinCEN identifier and provided that FinCEN identifier to the reporting company;
2. An individual is or may be a beneficial owner of the reporting company by virtue of an interest in the

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 1015

[Docket Number USCG–2023–0512]

RIN 1625–AA00

Safety Zone, Neuse River, New Bern, NC

AGENCY: Coast Guard, DHS.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone on the navigable waters of the Neuse River in New Bern, North Carolina. This action is necessary to provide for the safety of life on these waters during an aerobatic airshow on November 25, 2023. This rule prohibits persons and vessels from being in the safety zone unless authorized by the Captain of the Port (COTP) North Carolina or a designated representative.

DATES: This rule is effective November 25, 2023 from 4 through 6 p.m.

If you have questions on this rule, call or email Chief Petty Officer Elvin Rodriguez, Waterways Management Division, U.S. Coast Guard; telephone 910–772–2239, email NCMarineevents@uscg.mil.