

# CORPORATE LAW ALERT

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## Update on the CTA: Who Will Have Access to Your Beneficial Ownership Information?

Yesterday, the US Treasury Department's Financial Crimes Enforcement Network ("FinCEN") issued a final rule clarifying who will have access to the confidential information submitted by reporting companies pursuant to the Corporate Transparency Act ("CTA") when the law becomes effective on January 1, 2024. FinCEN's final rule adopts a proposed rule issued by FinCEN in early fall.

We have addressed the CTA in prior RMF alerts (see [here](#), [here](#), [here](#), and [here](#)). Pursuant to the CTA, many newly formed and existing entities organized under state law, as well as entities formed under foreign law that register to do business in the United States, will be required to identify their beneficial owners and provide certain other filing and company-related information to FinCEN.

According to the final rule released on December 21, 2023, while all beneficial ownership information will be uploaded to a secure, non-public database, FinCEN is authorized to disclose beneficial ownership information under specific circumstances to six (6) categories of recipients: (1) U.S. Federal agencies engaged in national security, intelligence, or law enforcement activity; (2) U.S. State, local, and Tribal law enforcement agencies; (3) foreign law enforcement agencies, judges, prosecutors, central authorities, and competent authorities; (4) financial institutions using beneficial ownership information to facilitate compliance with customer due diligence ("CDD") requirements under applicable law; (5) Federal functional regulators and other appropriate regulatory agencies acting in a supervisory capacity assessing financial institutions for compliance with CDD requirements under applicable law; and (6) Treasury officers and employees. Each category of authorized user will be subject to specific security and confidentiality requirements before being granted access to beneficial ownership information. FinCEN intends to provide additional guidance regarding bank and other financial institution's access.

Starting in 2024, FinCEN will begin to provide access to beneficial ownership information in phases to authorized government agencies and financial institutions that meet the requirements of the final rule. The final rule is the second of three key rulemakings planned to implement the CTA.

If you have any questions about how this requirement impacts you or your business, please contact:

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