



February 13, 2024

The Honorable Patrick McHenry
Chairman
House Financial Services Committee
2129 Rayburn HOB
Washington, DC 20515

The Honorable Sherrod Brown
Chairman
Senate Banking Committee
435 Russell SOB
Washington, DC 20510

The Honorable Maxine Waters
Ranking Member
House Financial Services Committee
4340 O'Neill HOB
Washington, DC 20515

The Honorable Tim Scott
Ranking Member
Senate Banking Committee
Russell SOB
Washington, DC 20510

Dear Chairman McHenry, Chairman Brown, Ranking Member Waters and Ranking Member Scott,

The Financial Crimes Enforcement Network (FinCEN) Beneficial Ownership Information (BOI) reporting requirements went into effect on January 1, 2024. Six weeks into the reporting requirement, the AICPA, along with the 54 State CPA Societies representing Certified Public Accountants (CPAs) across the country, continue to have serious concerns with the BOI reporting requirement process and the questions that remain. Despite significant advance outreach efforts by stakeholders in the business community to prepare small businesses for their new reporting requirement, small businesses remain broadly unaware of their reporting requirement. **We believe the rule should be suspended until the small business community is considered well-informed of their requirement to report BOI information to FinCEN and the outstanding questions by the financial professionals who serve this community have been answered.**

The CPA profession has sought time to clarify how to engage with clients on the reporting requirement. Although we believe accountants, such as CPAs, can assist their small business clients with the complex filing deadlines, the fact is this type of reporting, e.g. 30 days for report changes and 90 days for new entities, is not built into the current client engagement system for simple compliance. The deadlines continue to give some accounting professionals pause on engaging in this work. As we work through these process questions, many small business entities must navigate these entirely new filings on their own.

In past communications to FinCEN, we have recommended that at minimum, the deadline for entities making updates or corrections to their filings should be one year. The current 30-day requirement effectively creates a bifurcated work stream. In some situations, accountants may take on the initial filing, though may decline to engage further with the client on monthly tracking for form updates or corrections. In other situations, some accountants may take on

the entire engagement, including filing corrected or updated information. This then creates, effectively, a 30-day tracking requirement for accountants who choose to engage with their client on this work and have no previous model to track their client changes in such a manner to ensure their client remains in compliance with the rule. Annually, tax preparer CPAs meet with small business clients to work through their clients' tax filing needs, and it is in those annual interactions FinCEN BOI information changes will be captured. Creating a 30-day check-in process is not only time-consuming for the CPA, it may also result in an unnecessarily costly engagement for the small business client.

Small businesses should have a reasonable chance at compliance and as we said in a letter to FinCEN on October 30, 2023, "FinCEN should give all businesses a fair time frame to gain awareness and a reasonable time frame to comply with the BOI requirements." CPAs will work to assist their small business clients to accurately report this information in a manner that is both a useful tool for FinCEN and law enforcement, as well as supportive to the federal government's anti-money laundering efforts. To comply and provide the information necessary, small businesses need additional time to work through these and other questions that have not been answered in the six weeks this rule has been in effect. We urge you to suspend the rule and give small entities the time necessary to work through this requirement so we can best support the small business community.

Thank you for your consideration and for your ongoing support on this issue. If you have any questions, please contact Kate Kiley, AICPA Director — Congressional and Political Affairs at 202-434-9219, or Kate.Kiley@aicpa-cima.com; or Melanie Lauridsen, AICPA Vice President — Tax Policy & Advocacy, at (202) 434-9235 or Melanie.Lauridsen@aicpa-cima.com.

Sincerely,

A handwritten signature in black ink, appearing to read "S Coffey", with a stylized flourish at the end.

Susan S. Coffey, CPA, CGMA
Chief Executive Officer — Public Accounting