



November 11, 2024

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

The Honorable Sherrod Brown
Chairman
Senate Banking Committee
534 Dirksen 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
534 Dirksen 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. We are now 50 days away from the filing deadline and the AICPA has grave concerns with the current timeline. The FinCEN BOI deadline of January 1, 2025, for most existing small businesses must be delayed or this country will see millions of small business owners become accidentally and unknowingly delinquent in their compliance.

We alongside the 54 State CPA Societies, have raised concerns on numerous occasions regarding the number of small businesses still unaware of their reporting requirement, notwithstanding the genuine efforts by FinCEN and advisory stakeholders in the small business community to increase awareness. With 6.5 million reports received of 32 million expected this year, millions of small businesses, the vast majority of which remain unaware of their reporting requirement, are closing in on the end of the year at which point they will be conflicted with federal law.

Along with the worrying lack of awareness, we have also raised concerns about the complexities around the rule. These include the unnecessarily tight 30-day timeline for report amendments and changes, which is not consistent with tax filing. This timeline makes monitoring client information incredibly complex for tax professionals who would ordinarily catch changes and updates during their annual client meetings prior to their clients' annual tax filing. Further, as welcomed as FinCEN's announced delays due to the natural disasters experienced in the southeast have been, these staggered delays have made understanding the initial report filing deadlines considerably more complex.

We said in a previous letter that "Small businesses should have a reasonable chance at compliance."¹ This was a generous and low bar for FinCEN BOI reporting. In fact, small businesses should be well aware of their reporting requirement, and the process should

¹ AICPA press release, [AICPA to Congress: "The \[BOI\] rule should be suspended](#), February 16, 2024.

truly be quick and easy for the vast majority of small businesses. There is still a lack of clarity and unanswered questions about the reporting requirements which has held small businesses back from filing. Our members do not want to file erroneous reports. However, apprehension around providing filing assistance goes beyond simple pain points for our members who are working diligently to educate their clients. To experience 316 days of non-compliance for 23.5 million small businesses demonstrates the problem is not with the small business community or their trusted financial professionals, the problem is with the program.

CPAs will continue to 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. But our members do so within the confines of a murky regulatory environment and unclear requirements. There are now 122 clarifying [Frequently Ask Questions](#) on the FinCEN website to educate small businesses on a filing requirement described by FinCEN as "simple, secure, and free of charge."² The burden has fallen on our members and others in the small business advisory community to inform their clients of both this program's existence and their clients' requirements under the law.

To ensure small businesses remain above board with federal laws and regulations, we believe the rule should be suspended for at least a year so the small business community can become better informed of their filing requirement.

The AICPA is the world's largest member association representing the accounting profession, with more than 400,000 members in the United States and worldwide, and a history of serving the public interest since 1887. Our members advise clients on federal, state, and international tax matters and prepare income and other tax returns for millions of Americans. Our members provide services to individuals, not-for-profit organizations, small and medium-sized businesses, as well as America's largest businesses.

Thank you for your consideration and for your ongoing work 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,



Barry C. Melancon, CPA, CGMA
CEO, American Institute of CPAs

Cc: The Honorable Janet Yellen, U.S. Department of the Treasury

² FinCEN webinar: [Understanding Beneficial Ownership Information and How to Report](#); July 23, 2024.