



National Public Record Research Association

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Raleigh, North Carolina 27615

Via Electronic Submission - <http://www.regulations.gov>

Financial Crimes Enforcement Network
PO Box 39
Vienna, Virginia 22183

**RE: Commentary to Docket Number FINCEN-2023-0002, OMB Control
Number 1506-0076, Beneficial Ownership Information Report Summary of
Data Fields**

Dear Sir/Madam:

This commentary is submitted by the National Public Record Research Association ("NPRRA"), the premier industry association for businesses engaged in the public record and corporate services industry, comprised of 135 member companies, including several commercial registered agent service companies and other companies engaged in public record filing and retrieval services (collectively, "Commercial Corporate Service Providers", or "CCSP"). Together, NPRRA's members provide millions of business entities with registered agent services and/or assistance with submitting business entity filings to the offices of the secretaries of state and other similar offices in the 50 states and the District of Columbia ("state offices").

CCSPs offer a limited yet highly valuable service to business entities when acting as registered agent for service of process, and/or when facilitating state level business entity filings, such as formations, with state offices at the direction of customers who are solely responsible for the content and authorization of such filings. CCSPs have decades of expertise in state-level public record filing requirements for business entities throughout the country. Their customers

include corporations, limited liability companies, limited partnerships, law firms, and corporate legal departments.

NPRRA has the following suggestions and requests regarding the Beneficial Ownership Information (BOI) Report Summary of Data Fields:

Question 1. Type of filing

When a reporting company checks the box indicating that it is filing an update, it should be made clear that “Part II. Company Applicant Information (questions 17-33)” should not be filled out. This will ensure that no reporting company mistakenly provides company applicant information, as that information is not required on updates.

Question 1.f. and Question 7. Tax identification type

NPRRA asks that “SSN” be deleted as an option as social security numbers are not required under the CTA or the rules, and they are highly sensitive PII.

Questions 11-15. Current US Address

We suggest that the question ask for the reporting company’s “Principal Place of Business” rather than just an address. We also request an instruction stating that this address must be a physical location where business is conducted and cannot be the address of the agent for service of process appointed under the business entity statute. NPRRA is concerned that without that clarification, reporting companies may use CCSP’s business addresses on the BOI report form as reporting company addresses. NPRRA members seek to prevent their addresses from being used for any purpose other than the statutory registered office for the purpose of receiving service of process.

Question 16. Existing Reporting Company

When a reporting company checks the box indicating that it is an existing reporting company, NPRRA requests that it be made clear that “Part II. Company Applicant Information (questions 17-33)” should not be filled out. This will ensure that no reporting company mistakenly provides company applicant information, as that information is not required to be provided by companies existing before January 1, 2024.

Question 24 a. Company Applicant/Address Type/Business Address

We ask that an instruction be added to 24 a. “Business address” indicating that a business address is to be set forth in the case of a company applicant who forms or registers an entity in the course of their employment. Otherwise, it is not clear whether the reporting company is to provide the company applicant’s business or residential address.

Question 30. Company Applicant/Identifying Document Type

NPRRA suggests that there be an instruction next to option “d. Foreign passport”, indicating that this option is only available if the company applicant does not have options a., b., or c.

Question 33. Company Applicant/Identifying Document Image

NPRRA requests that company applicants be able to redact all information on their identifying document other than the information that is required to be reported. The additional PII that may be included on a driver’s license or other ID document, is not information that the CTA requires, and should not be included in the beneficial ownership database. In addition, when the identifying document is for a company applicant who forms or registers entities, in the course of his or her employment, the

company applicant should be able to redact his or her residential address on his or her ID document. Company applicants who form entities in the course of their employment are only required to provide a business address.

Question 48. Beneficial Owner/Identifying Document Type

We suggest that there be an instruction next to option d. Foreign passport, indicating that this option is only available if the beneficial owner does not have options a., b., or c.

Question 51. Beneficial Owner/Identifying Document Image

NPRRA recommends that beneficial owners be able to redact all information on their identifying document other than the information that is required to be reported for the same reasons noted above in our comment to Question 33.

Various Questions – option z. Unknown

NPRRA requests clarification as to the meaning of the “unknown” option. For example, is there a due diligence requirement before checking the Unknown option? Or is there a continuing obligation to try to obtain the information and then file an update when it is obtained?

Remaining Need for Further Clarification Regarding the Definition of Company Applicant:

NPRRA appreciates that FinCEN has indicated in “Part II Company Applicant Information” that there should not be more than 2 company applicants reported. However, CCSPs remain uncertain as to who falls within the definitions of company applicant. Workflows for submitting business entity filings to state agencies vary among CCSPs. Sometimes there are CCSP employees whose only role is simply as a courier, where that employee delivers a stack of documents to a state agency for filing. Within the stack of documents could be various filings, including one or more formation documents. In that instance, would the CCSP employee who delivered the stack of documents to a state filing agency be the “company applicant” or would it be a different individual? To take this one step further, what if a CCSP mailroom employee places a formation document in a Fed-ex package for delivery to a state agency? It seems unlikely that the CCSP mailroom employee or the Fed-ex delivery person would be the “company applicant” in this scenario – after all, neither of these individuals would have any knowledge about the entity being formed. Yet, the final rule might be interpreted to include these individuals as company applicants, since it states that a company applicant is the person who “directly” files the document. Therefore, NPRRA continues to seek further clarification on the company applicant definition.

Finally, NPRRA maintains that the intent of the CTA would be better served if FinCEN allowed CCSP management level employees to be named in reports as the type 2 company applicant in situations where customer service/entry-level employees, in the course of their employment, submit formation and registration documents to state agencies for filing. A CCSP management level employee could better assist FinCEN and law enforcement with reporting company investigations, as they would have ready access to more detail on the formation or registration order. For example, they could readily access the name of the customer who placed the order for filing a formation or registration; determine whether the customer has placed any prior or future orders for

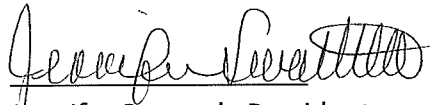
formations or registrations; and determine how the customer paid for the formation or registration, etc. Ready access to this information could assist FinCEN in looking for patterns of entity formations or registrations. And, this would have the added benefit of clarifying who the company applicant should be when an CCSP employee submits formation filings in the course of their employment.

Additional Considerations:

Additionally, since the CTA authorizes FinCEN to establish the terms and conditions of reporting, we suggest that the BOI report form instructions indicate that no part of the form may be filed with any other governmental agency. This will help ensure that data submitted to FinCEN would remain exclusively subject to the heightened security requirements of the CTA.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jennifer Swantek", written over a horizontal line.

Jennifer Swantek, President