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FinCEN Extends Limited Auto-renewed Accounts Exception to Beneficial Ownership Requirements

Recall that in May 2018, FinCEN issued a ruling providing a 90-day limited exception from its beneficial ownership rule requirements for certificate of deposit (CD) accounts and loans that (i) automatically rollover or renew, and (ii) were established before May 11, 2018. Thus, this exception was effective until August 9, 2018.

Based on its statutory discretion, on August 8, 2018 FinCEN announced it is extending the limited exception for an additional 30 days, to September 8, 2018. Thus, financial institutions are temporarily exempt from applying the beneficial ownership rule requirements to loans and CDs that automatically renew or roll over. Note that the exception does not apply to loans that do not automatically renew. Financial institutions must comply with the beneficial ownership requirements for such loans.

Clients, including BCG members, are encouraged to contact Keith R. Forrester or Anne M. McEvilly for further guidance.

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