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Notice of Proposed Rulemaking (NPRM)-
Beneficial Ownership Information Reporting Requirements

The American Institute of CPAs ("AICPA") is pleased to comment on the notice of proposed rulemaking ("NPRM") soliciting public comment on the Financial Crimes Enforcement Network's ("FinCEN") proposed regulations that would implement the requirement in Section 6403 of the Corporate Transparency Act (CTA) requiring reporting companies to submit a report containing beneficial owner and company applicant information to FinCEN. We appreciate the efforts of FinCEN to protect vital U.S. national security interests and interstate and foreign commerce, and to better enable critical national security, intelligence, and law enforcement efforts to counter money laundering, the financing of terrorism, and other illicit activity.

The AICPA urges FinCEN to carefully reconsider the burden and cost imposed by the new beneficial ownership information (BOI) reporting requirements on an estimated 25 million small businesses[1]. Many small businesses will not be able to meet the reporting requirements without assistance from professional advisors. This is because of the overly broad and complex definitions to determine who is a beneficial owner (i.e., "substantial control", "direct or indirect exercise of control“, "ownership interests"). The proposed definitions, while derived from current law, will not be readily understood and applied by small businesses without assistance from professional advisors. Further, many small businesses will need to consider applying these definitions in multi-tiered structures, controlled groups and trusts. Even with a simple ownership structure, small businesses will likely seek outside professional assistance because of the risk of noncompliance and potential monetary penalties. Taking this into consideration, FinCEN should reevaluate and simplify the proposed definition of a beneficial owner to the fullest extent possible while ensuring that it appropriately scopes in those whose ownership interests that are deemed to be the greatest risk for illicit activity. To ensure small businesses have the support they need to comply

[1] FinCEN proposed rule burden estimate of the number of reporting companies initially subject to BOI reporting requirements.

with the BOI reporting requirements, FinCEN should provide phone and online assistance, tools, Q&As, flowcharts and calculators (25 percent ownership interest) before the effective date of the final rule.

The AICPA has the following comments and recommendations on the NPRM:

1. Initial report filing deadline

Reporting companies created before the release of the final rule

The proposed rule would require reporting companies created before the release of the final rule to file BOI reports within one year of the effective date of the final rule. A one-year period for initially reporting may not be sufficient and should not be tied solely to the effective date of the final rule. The ability of small businesses to file an initial report will depend on several critical factors:

- FinCEN's ability to timely identify and communicate the new BOI reporting responsibilities directly to all affected companies (including exempt entities if they need to also file to claim the statutory exemption).
- The timing and success of FinCEN's outreach efforts to all stakeholders to publicize the new reporting requirements and available resources, and to build and maintain a broad awareness campaign throughout the initial compliance period.
- FinCEN's readiness to accept filings via an online database with data privacy and security safeguards.
- The availability of FinCEN hotline assistance, tools, flowcharts, calculators and Q&As to aid reporting company compliance.

Financial and tax advisors to small businesses may already collect some of the required BOI for purposes of preparing the entity's tax returns; however, all BOI may not be readily available. For example, a tax advisor may prepare the tax return for an S Corp. entity and for some but not all individual shareholders, but the tax advisor may have no relationship with the other beneficial owners. Reporting companies and their advisors may need to obtain consent from each individual beneficial owner for reporting BOI to FinCEN, and the reporting company and advisors would need to establish proper safeguards over BOI obtained.

FinCEN should consider all of the above factors in establishing the initial reporting deadline, and the deadline should be no earlier than one year after the effective date of the final rule.

Reporting companies created after the release of the final rule

The proposed rule would require reporting companies created after the release of the final rule to file BOI within 14 calendar days of the date it was formed. The ability of new entities to file an initial report will depend on the entity's awareness of its responsibility to file an initial

BOI report and would most likely involve consultation with a professional advisor for compliance assistance. Professional advisors (other than formation agents) may become aware of a new entity formation only at the time of preparing the company's tax return or providing other services to the small business.

We also are concerned that many entities that are required to report may not be able to provide an EIN/TIN, a D&B ("DUNS") number or a Legal Entity Identifier ("LEI") within 14 days of formation. One of these three is required to be submitted per the proposed rule. Many newly formed small entities are not required to have a DUNS and indeed may not even qualify for obtaining a DUNS. The Dun & Bradstreet system for issuing a DUNS requires a physical address in the United States. Many entities formed in the US, that would be required to report, are inactive holding companies without a physical US address. Similarly, it is not clear that many small businesses are eligible to be issued an LEI. Moreover, obtaining an LEI requires working with a third-party issuer and many small businesses may not be familiar with the process. Lastly, the IRS currently takes well over two weeks to issue EINs when the responsible party does not have a US Social Security Number or ITIN. EIN applications must be submitted via fax to the IRS in such circumstances and cannot be obtained online.

All of the above factors should be considered by FinCEN in establishing the reporting deadline for companies formed after the effective date of the final rule.

2. Updated reports

It is highly unlikely that the reporting company would know to report changes in beneficial owners, including changes in the name or individual tax residence of beneficial owners, within 30 days of the change as proposed. These changes could occur by marriage, divorce, retirement, death, promotion, the exercise of a stock option, a round of financing from investors, etc., and at any time throughout the year. Further reporting companies would also be required to submit revised ID's and photo images of beneficial owners' and company applicants' passports, drivers' licenses or other forms of unique identifying information that may expire. To require reporting companies to report these types of changes to FinCEN throughout the year and within only 30 days is outside the ordinary course of business and would require companies to establish additional monitoring and reporting systems that would constitute an extreme and unnecessary burden on small businesses. For the following reasons, the filing of all updated reports with FinCEN should be annually and coincide with the company's annual federal tax return filing with the Internal Revenue Service (IRS).

- The determination of whether a company meets the "large operating company" exemption is based on the company's gross receipts or sales as reported on the company's federal tax return as determined under federal income tax principles. A company may not know if it meets the exemption until it completes its federal tax return.
- The proposed definition of "'full-time employee in the United States'' and related determination methods at 26 CFR 54.4980H–1(a)(21) and 54.4980H–3" are used by the

Internal Revenue Service and are not generally understood outside of professional legal and tax advisors.

We recommend that updated reports be filed annually within 30 days after the entity's federal income tax return due date, including on extension. By tying BOI report updates to the reporting company's annual tax filing, a process that often brings up many life events, employment, address, ownership, and other changes, the tax filing process can act as a reminder of sorts to the reporting company to additionally file changes with FinCEN and ensure the best opportunity for compliance.

3. Changes in reporting entity status (exempt or nonexempt)

The final rule should address situations where, in the period subsequent to filing an initial report, a reporting entity meets the exemption from filing a BOI report (e.g., meets the definition of a "large operating company" due to an increase in the number of full-time equivalent employees or increase in the company's gross receipts or sales as reported on the company's federal tax return above $5 million; accounting firm registers with the Public Company Accounting Oversight Board). Conversely the final rule should address situations where the company no longer meets the exemption (e.g., no longer meets the large operating company exemption.)

Similarly, the final rule should clarify the impact of merger and acquisition transactions on the determination of a large operating company. For example, in 20X1 Company X had 20 employees and filed a federal tax return with gross receipts of $4M. In 20X2, Company X acquires Company Y which in 20X1 had 10 employees and filed a federal tax return with gross receipts of $2M. Would the merged company qualify as a large operating company for 20X2, and what would be the reporting requirements for Company X and Company Y in 20X2?

4. Establish a one year "safe harbor" for applying the definition of "Large operating company" for statutory exemption as reporting company

For purposes of the statutory exemption for reporting companies, § 1010.380 (c)(2) (xxi) defines a "Large operating company", as an entity that employs more than 20 full time employees (FTE) and filed a federal income tax or information return in the United States for the previous year demonstrating more than $5,000,000 in gross receipts or sales. The proposal does not state the timeframe for determining the number of FTEs. Further it is very likely that some companies will have FTEs and/ or taxable gross receipts that vary from year to year above or below the exemption thresholds.

We recommend the final rule adopt a one year "safe harbor" for this situation which would allow entities that meet the "Large operating company" exemption in the immediate previous tax year but fall below the FTEs and/or taxable gross receipts thresholds in the most recent tax year to continue to be treated as exempt. Further we recommend the FTEs be determined based on the last day of the entity's most recent tax year.

5. **Controlled group of companies (parent-subsidiary or brother-sister groups)**

The final rule should clarify how the "large operating company" exemption criteria applies to a controlled group of companies. A control group relationship exists if the businesses have one of the following relationships: a) parent-subsidiary, b) brother-sister, and c) combination of a and b. The Internal Revenue Code (IRC) defines controlled groups in various sections (sections 414, 52, 267(f) for example).

6. **Attribution of ownership rules**

The final rule should clarify whether and how the constructive ownership (attribution) rules apply in determining the beneficial owner of a reporting company. For example, the IRC has several different attribution rules (e.g., 26 U.S. Code § 318) that only apply if they are expressly made applicable, which determine an individual's or entity's indirect ownership of stock in a corporation, profits interest in a partnership, or beneficial interest in a trust, estate, or unincorporated enterprise.

7. **Single-member LLCs (disregarded entities)**

The final rule should clarify how the BOI reporting requirements apply to entities that are disregarded as separate from its owner (i.e., disregarded entities) for federal income tax purposes. An entity is a disregarded entity if it is either a domestic entity with a single owner (e.g., a single-member LLC) or a foreign entity that has a single owner that does not have limited liability, unless it files a Form 8832 and affirmatively elects to be characterized as an association which is taxed as a corporation. However, for purposes of employment tax, the Bank Secrecy Act and certain excise taxes, an LLC with only one member is still considered a separate entity. As discussed above, these entities would in most cases not have a Dunn and Bradstreet number.

8. **Definition of "beneficial ownership"**

As previously discussed, many small businesses will not be able to readily understand and apply the overly broad and complex definitions (i.e., "substantial control", "direct or indirect exercise of control ", "ownership interests") without assistance from professional advisors to determine who is a beneficial owner. Further, many entities will need to consider applying these definitions in multi-tiered structures, controlled groups and trusts. Even with a simple ownership structure, small businesses will likely seek outside professional assistance because of the risk of noncompliance and potential monetary penalties. Some investor-owned entities may not be in the position of knowing who its ultimate beneficial owners are. Venture capital and private equity investors are frequently hesitant, or contractually prohibited to provide the identities of who their unit holders are, for among other reasons confidentiality. Privacy laws in some foreign jurisdictions may prohibit an organization from sharing information.

Taking the above into consideration, FinCEN should reevaluate and simplify the proposed definition of a beneficial owner to the fullest extent possible while ensuring that it appropriately scopes in those ownership interests deemed to be the greatest risk for illicit activity.

Definition of “substantial control”

To simplify the definition items (iii)(A) – (G) and (iv) should be removed from the final rule.

Definition of “direct or indirect exercise of substantial control”

The proposed definition includes terms that are very broad (“any” without regard to materiality, “arrangement “; relationship”; understanding”; etc.)

- arrangements or financial or business relationships, whether formal or informal, with other individuals or entities acting as nominees, or
- any other contract, arrangement, understanding, relationship, or otherwise

These overly broad terms should be deleted from the definition.

Definition of ““ownership interest”

The term “ownership interest” includes “any […] certificate of interest or participation in any profit-sharing agreement.” This could include a company’s bonus, profit-sharing plan or 401(k) plan contributions for which amounts received will vary from year to year and makes determination for purposes of calculating the percentage of company ownership overly complex.

FinCEN should provide a flowchart, calculator and other tools for reporting companies to determine whether the 25% ownership interest criteria is met. Although not stated in the proposed regulation, presumably this criterion would need to be evaluated at least annually if ownership interest could be affected by annual profit-sharing or similar payments to employees.

Definition of “directly or indirectly own or control an ownership interest”

How should state community property laws be considered in determining ownership interest?

9. Trust as beneficial owner

The final rule should clarify how the BOI reporting requirements apply in situations when the direct beneficial owner is a trust and not an individual (e.g., owner is an irrevocable trust) and if a trust has a corporate trustee.

10. FinCEN should exempt all CPA firms from the definition of “reporting company”

The CTA provides the Secretary of the Treasury (the “Secretary”), with the written concurrence of the Attorney General and the Secretary of Homeland Security, authority to

exempt additional entities or a class of entities, by regulation, if requiring beneficial ownership information from the entity or class of entities: (1) would not serve the public interest; and (2) would not be highly useful in national security, intelligence, and law enforcement agency efforts to detect, prevent, or prosecute money laundering, the financing of terrorism, proliferation finance, serious tax fraud, or other crimes.[2]

In considering this authority, the AICPA notes as an initial matter that Congress decided to exclude public accounting firms registered with the Public Company Accounting Oversight Board ("PCAOB") from the scope of the "reporting company" requirements in the CTA.[3] As of April 2021, there are 866 U.S. public accounting firms registered with the PCAOB to which this exemption will apply.[4] In exercising its oversight authority over registered public accounting firms, the PCAOB has access, among other things, to information about firm structures and ownership. In view of this access, Congress determined that additional reporting by registered public accounting firms was not necessary and thus authorized the exemption.

As noted in our May 5, 2021, comment letter on the Advance Notice of Proposed Rulemaking, a similar basis for exemption should be applied to all state-licensed certified public accounting firms (CPA firms) in the United States, even those that are not currently registered with the PCAOB. There are more than 50,000 CPA firms in the 55 United States licensing jurisdictions. An accounting firm must obtain a license from a relevant state board of accountancy in order to practice as a CPA firm or public accounting firm. There is robust oversight at the state level[5] that occurs as a result of this licensing requirement. Although the specific provisions that govern the manner in which a state may exercise its oversight authority may vary, there is a substantial framework that is used for state oversight of CPA firms. Indeed, the accountancy provisions of most states draw in significant part from the Uniform Accountancy Act (UAA) which helps to promote substantial consistency in oversight principles across states.[6] For example, CPA firms must be licensed by the applicable state board of accountancy and in doing so, become subject to state accountancy statutes and regulations set by the respective state legislatures and boards. Indeed, state boards of accountancy often seek ownership-related information from CPA firms, such as requiring information about owners in connection with annual license renewals or when there are changes in ownership.[7] Notably, FinCEN's 2016 Q&A document discussing the

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[2] 31 U.S.C. 5336(a)(11)(B)(xxiv).

[3] 31 U.S.C. Sec. 5336(a)(11)(B)(xv) (defining "reporting company" and specifically exempting public accounting firms registered in accordance with section 102 of the Sarbanes-Oxley Act of 2002).

[4] *See Registered Firms*, PCAOB, https://pcaobus.org/oversight/registration/registered-firms.

[5] The term "state level" refers to all 55 U.S. licensing jurisdictions including the 50 U.S. states, the District of Columbia, Guam, the Northern Mariana Islands, Puerto Rico and the U.S. Virgin Islands.

[6] *See generally* Uniform Accountancy Act, Standards for Regulation, Eighth Edition, January 2018; https://us.aicpa.org/content/dam/aicpa/advocacy/state/downloadabledocuments/uaa-eighth-edition-january-2018.pdf.

[7] *See, e.g.,* Cal. Code Regs., tit. 16, art. 3, § 20(c)(2) (requiring each registered out-of-state CPA firm to notify the board of any change in its ownership within 30 days after the change); Ga, Comp. R & Regs. § 20-7-.01(3) (requiring notice to be given to the Board within 30 days of the admission to or withdrawal of a partner, stockholder, or member from any licensed firm); Ill. Admin Code, tit. 68, § 1420.30(c) (requiring notice to the board of changes in ownership at the time of renewal); M.D. Bus. Occ. & Prof. Code § 2-408 (a) (requiring notice within one

Customer Due Diligence Rule expressly excludes "entities that are subject to Federal or State regulations and for which information about their beneficial ownership and management is available from the Federal or State agencies" from being required to provide beneficial ownership information.[8]

Additionally, the preface to the Eighth Edition of the UAA states, "The Uniform Accountancy Act is designed to achieve several objectives. As the name of the Act suggests, the Act advances the goal of uniformity. In addition, the Act's provisions protect the public interest and promote high professional standards."[9] Furthermore, the UAA's principles that govern certified professional accountants include a fundamental emphasis on the public interest. The UAA Introductory Comments state, "*First*, statutory regulation of CPAs, as of any other profession or occupation, is justified only by considerations of the public interest. The public interest must be a substantial one, since regulation necessarily involves restrictions on who can perform certain services and the manner in which they are performed. The conventional formulation is that regulatory legislation must be reasonably designed to protect the public health, safety, or welfare; the practice of CPAs has a significant impact on the public welfare."[10] Indeed, the UAA Section 2 "Purpose" also makes it clear that the entire purpose of the act, including the regulation of CPAs, is to protect the public.[11] These protections to the public interest and public welfare are embedded in the core of the CPA licensure requirements.

CPA firm requirements under Section 7 of the UAA outlines which CPA firms may be granted or renewed permits to practice as CPA firms and states that a majority of the ownership interests must be CPAs. The requirements for CPA firms under Section 7(c)(1) require a "simple majority of the ownership of the firm in terms of financial interest and voting rights of partners, officers, shareholders, members or managers" to be holders of a certificate as a Certified Public Accountant[12] and any non-licensed owners must be of good character.[13] As demonstrated, CPAs and CPA firms are required to operate in the public interest. Indeed, any

month of a change in ownership to the board for those intending to practice certified public accountancy in the state); N. Mex. Stat., art. 28B, § 61-28B-13(J) (requiring notice of a change in ownership within 30 days and during renewal of a permit); N.Y.S. Pub. Acc. Laws § 70.8(f) (requiring notice to the board during annual renewal of any resignation, termination, retirement, or death of a partner, member, or shareholder); Oh. Rev. Code § 4701.04(B) (requiring notice to the board of a change in ownership at the time of renewal registration applications); Tex. Admin. Code § 513.16 (b) (requiring notice of a change in the status of the firm's ownership to the board during the annual licensing application); Wash. Admin. Code § 4-30-114(3) (requiring notice within 90 days of the admission or withdrawal of a resident licensee owner to the board).

[8] FinCEN, *Frequently Asked Questions (FAQs)* (July 19, 2016), https://www.fincen.gov/sites/default/files/2016-09/FAQs_for_CDD_Final_Rule_(7_15_16).pdf.

[9] Uniform Accountancy Act (UAA), Standards for Regulation, Eighth Edition, January 2018, UAA-I-2, pdf pg. 9; https://us.aicpa.org/content/dam/aicpa/advocacy/state/downloadabledocuments/uaa-eighth-edition-january-2018.pdf .

[10] UAA-I-3, pdf pg. 10.

[11] UAA-2-1, pdf pg. 18.

[12] UAA-7-3, pdf pg. 39.

[13] UAA-7-3, sec. 7(c)(2)(B), pdf pg. 39.

dishonesty, gross negligence, or violation of a rule of professional conduct are among the grounds for discipline that are specifically set out in the UAA.[14] A firm faces revocation or suspension of CPA firm permits if the firm falls out of compliance.[15] The UAA also requires licensed firms to notify the State Board of Accountancy of changes in the identities of owners.[16]

The public interest requirement is clearly met by the CPA certificate holder whose information is maintained by the State Board of Accountancy for which the licensure was granted. Further, because state accountancy laws also specify requirements and qualifications for ownership, CPA firms cannot hide ownership information. We urge FinCEN to reconsider the decision to grant no additional exemptions under its authority and encourage FinCEN to grant an exemption for all CPA firms from the definition of "reporting companies."

11. FinCEN should exempt affiliate entities of PCAOB-registered public accounting firms

Section 6403(a)(11)(B)(xv) of the CTA provides for an exemption of public accounting firms "registered in accordance with section 102 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7212)." Section 6403(a)(11)(B)(xxii) also provides a reporting exemption for entities "of which the ownership interests are owned or controlled, directly or indirectly, by 1 or more [specified exempt entities]."[17] The proposed rule interprets this "subsidiary exemption" as encompassing only those entities "owned *entirely* by one or more specified exempt entities."[18] This interpretation is inconsistent with the language of Section 6403(a)(11)(B)(xxii). Congress said only that an entity has to be "owned or controlled" by one or more specified exempt entities to qualify for the exemption. If Congress intended for this exemption to be limited to entities that are "entirely" or "wholly" owned by other entities, it surely could have said so explicitly.[19]

The proposed rule's interpretation also does not give sufficient weight to Congress's decision to use the word "controlled" in addition to the word "owned." By phrasing the statutory language in the disjunctive ("owned or controlled"), Congress intended these terms to have different meanings.[20] Thus, the proposed rule's interpretation, which accounts only for the word "owned"—and not also the word "controlled"—cannot be correct. Indeed, the original language of the subsidiary exemption passed by the House of Representatives encompassed only entities "formed and owned by" another entity.[21] The final enacted subsidiary exemption reflects a purposeful decision to broaden the House version by adding "or controlled" and "directly or indirectly."

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14 UAA-10-1, pdf pg. 45.

15 UAA-7-4, sec. 7(g), pdf pg. 40.

16 UAA-7-4, sec. 7(f), pdf pg. 40.

17 31 U.S.C. § 5336(a)(11)(B)(xxii).

18 86 Fed. Reg. 69,920, 69,940 (Dec. 8, 2021) (emphasis added).

19 *See Jama v. Immigr. & Customs Enf't*, 543 U.S. 335, 341 (2005) ("We do not lightly assume that Congress has omitted from its adopted text requirements that it nonetheless intends to apply.").

20 *See United States v. Woods*, 571 U.S. 31, 45-46 (2013) ("[The] ordinary use [of the term 'or'] is almost always disjunctive, that is, the words it connects are to 'be given separate meanings.'").

21 H.R. Rep. 116-227, at 7.

This interpretation not only contradicts the plain language of the statute; it also contradicts how the relevant language is used and interpreted elsewhere. Indeed, FinCEN itself has elsewhere articulated a concept of "control" that does not contemplate *complete* control. FinCEN regulations permit "[t]he sharing by a bank … of a [Suspicious Activity Report ("SAR")] … within the bank's corporate organizational structure."[22] FinCEN issued guidance on this regulation to clarify that a bank may share a SAR with an "affiliate," which it defined as "any company under common control with, or controlled by" the bank.[23] The guidance in turn defined "controlled by" in a manner that is not equivalent to complete control.[24,25] The SEC similarly has defined "control" in a manner that in no way suggests that "control" exists only if an entity *wholly or entirely* owns another entity.[26]

In addition, other affiliates of such public accounting firms – for example, entities that are affiliated because the PCAOB-registered firm is under common control with a sister entity firm – would not be covered by the exemption. This gap should be addressed because the same rationale that supports extending the exemption to controlled entities supports extending the exemption to parent and commonly-controlled affiliate entities: that is, the PCAOB through its oversight authority has access to information about registered accounting firms and their affiliates. Thus, PCAOB-registered firms and their affiliates (including any entity controlling, controlled by, or under common control of the PCAOB-registered firm) are appropriately excluded from the reporting requirements.

12. Data security

FinCEN proposes collecting residential addresses and individual's photos. We are concerned with how this highly sensitive personal identifiable information (PII) data will be managed, stored and protected. The EU and the US are in discussions regarding an enhanced Privacy Shield. We question if US government access to this pool of information will complicate Privacy Shield discussions and future cross border data flows.

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[22] 31 C.F.R. § 1020.320(e)(1)(ii)(B).

[23] FinCEN, Sharing Suspicious Activity Reports by Depository Institutions with Certain U.S. Affiliates (Nov. 23, 2010), https://www.fincen.gov/resources/statutes-regulations/guidance/sharing-suspicious-activity-reports-depository-institutions.

[24] *See id.* ("'Controlled by' means that the depository institution (1) directly or indirectly has the power to vote 25 percent or more of any class of the voting securities of the company; or (2) controls in any manner the election of a majority of the directors or trustees of the company.").

[25] *see also* FinCEN, Interagency Guidance on Sharing Suspicious Activity Reports with Head Offices and Controlling Companies (Jan. 20, 2006), https://www.fincen.gov/resources/statutes-regulations/guidance/interagency-guidance-sharing-suspicious-activity-reports ("In the event that a depository institution's corporate structure includes *multiple controlling companies*, the filing institution's [SAR] may be shared with each controlling entity.") (emphasis added).

[26] See 17 C.F.R. § 210.1-02(g) ("***Control***. The term *control* (including the terms *controlling, controlled by* and *under common control* with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting shares, by contract, or otherwise.").

We recommend that FinCEN consider the use of the AICPA Privacy Management Framework ("PMF") as a foundational element in establishing and operating a comprehensive information privacy program that addresses privacy obligations and risks. The PMF can help develop effective processes and controls over the safeguarding of "identifiers" and other private information collected from individuals and entities and held in the FinCEN database. The PMF contains the following nine components: 1) Management; 2) Agreement, notice and communication; 3) Collection and creation; 4) Use, retention and disposal; 5) Access; 6) Disclosure to third parties; 7) Security for privacy; 8) Data integrity and quality; and 9) Monitoring and enforcement. Each of these components was developed by considering the risks that organizations often face when developing effective policies and procedures around data privacy and security. Therefore, applying the PMF would assist FinCEN with protecting "identifiers" and other information received from individuals and entities that submit such information in accordance with the proposed rules. Additional information may be found at Privacy Management Framework, AICPA:

https://www.aicpa.org/interestareas/informationtechnology/privacy-management-framework.html.

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We appreciate your consideration of our recommendations and welcome the opportunity to further discuss our comments. If you have any questions, please contact Kate Kiley, Director, Congressional and Political Affairs at 202-434-9219, or Kate.Kiley@aicpa-cima.com; or Ian MacKay, Director, Federal Regulatory Affairs at 202-434-9253, or Ian.MacKay@aicpa-cima.com.

Sincerely,

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