



NASS Resolution on the Collection of Ownership Information in the Company Formation Process

Adopted July 20, 2010; Reauthorized July 12, 2015, Amended and Reauthorized July 22, 2020

WHEREAS the nation's Secretaries of State are committed to overseeing state business formation and filing processes that enable the nation's nearly 28 million small businesses, including the thousands of new businesses created each month, to conduct their transactions in a timely, efficient, and cost-effective manner; and

WHEREAS federal proposals to collect beneficial ownership information for the purpose of assisting law enforcement should not place an unreasonable burden on states to enact vague and costly procedures for collecting, verifying, and processing ownership information with no guarantee of federal funding, resulting in a new and confusing layer of bureaucratic red tape in the state company filing process; and

WHEREAS the federal government has an existing means for collecting information on business entities formed in the U.S., and these U.S. Department of the Treasury requirements offer far more potential for effectively collecting beneficial ownership information than state entity formation laws were ever designed to provide; and

WHEREAS the Internal Revenue Service (IRS), a bureau of the U.S. Department of Treasury, requires all filers to provide and update "responsible party" information through IRS Form SS-4, thereby making such ownership details accessible to federal law enforcement officials; and,

WHEREAS it is the federal government's responsibility to identify effective ways to utilize Form SS-4 and other U.S. Department of the Treasury information collection processes to assist law enforcement in pursuing money launderers, terrorist financiers and tax evaders;

THEREFORE, BE IT RESOLVED, that NASS on behalf of its members shall oppose any unnecessary and costly federal proposals requiring states to collect the same information currently being gathered through IRS Form SS-4 and made available to law enforcement authorities; and

BE IT FURTHER RESOLVED, the U.S. is now better equipped to meet its international commitments to fighting crime and financial wrongdoing through the abuse of corporate vehicles, because of the [2016 US Treasury Regulation](#) which requires financial institutions to collect and verify beneficial ownership information as a part of their Customer Due Diligence duties, in addition to Form SS-4 information collection.

BE IT FINALLY RESOLVED, any federal proposal that impacts state regulatory oversight and administration of the incorporation process should be subject to a cost study for determining the financial impacts on state governments and businesses.

Expires: Summer 2025