FINCEN - CTRS
REPORTING OF CERTAIN CURRENCY TRANSACTIONS FOR SOLE PROPRIETORSHIP’S AND LEGAL ENTITIES OPERATING UNDER A “DOING BUSINESS AS” NAME

I. BACKGROUND

The Financial Crimes Enforcement Network (FinCEN) has issued an administrative ruling to clarify the Currency Transaction Report (“CTR”), FinCEN Form 112 filing obligations when reporting on currency transactions involving sole proprietorships and legal entities operating under a “doing business as” (“DBA”) name.

II. SOLE PROPRIETORSHIP

A sole proprietorship is a business in which one person, operating in his or her own personal capacity, owns all of the business’s assets and is responsible for all of the business’s liabilities. Consistent with the definition of “person” in the Bank Secrecy Act’s implementing regulations, a sole proprietorship is not a separate legal person from its individual owner. Thus, when a CTR FinCEN Form 112 is prepared on transactions involving a sole proprietorship, a financial institution should complete a single Part I “Person Involved in Transaction” section with the individual owner’s name in Items 4 through 6, gender in Item 7, and date of birth in Item 17. If the individual owner is doing business in his or her own name, then the rest of Part I should be completed reflecting the individual owner’s information. If the individual owner is operating the business under a different name (a “doing business as” or “DBA” name), then such name should appear in Item 8 “Alternate name,” and the rest of Part I (other than Items 4-6, 7, and 17 identifying the individual owner) be completed with reference to the DBA name. If the individual owner operates under multiple DBAs, then a separate Part I section should be completed for each different DBA involved in the transactions. The amount and account number(s) entered in Item 21 “Cash in amount…” or Item 22 “Cash out amount…” will be the amount and account number(s) associated with the specific location corresponding to the reported transaction.

III. LEGAL ENTITY

When a CTR is prepared on a legal entity such as a partnership, incorporated business, or limited liability company, a Part I section should be prepared containing the home office/headquarters data (address, telephone number, identification number, etc.) of the entity. When multiple entity locations are involved in an aggregated CTR, a separate Part I section should be prepared for
each location involved. Each additional Part I section should include the entity’s legal name in Item 4 and alternate name, if any, in Item 8. Each additional Part I section will include the location’s address along with all other location or entity data applicable to that location. The amount and account number(s) entered in Item 21 “Cash in amount…” or Item 22 “Cash out amount…” will be the amount and account number(s) associated with the specific location. The initial Part I section on the entity home office/headquarters will show the total amount and all account numbers involved in Item 21 or 22. When there are multiple DBA names involved in the transaction, Item 8 “Alternate name” should be left blank in the entity home office Part I section. When the entity home office address is the same as the transaction location, only a home office Part I section should be prepared.

The foregoing Compliance Update is for informational purposes only and does not constitute legal advice. As a reminder, the NBA general counsel is the attorney for the Nebraska Bankers Association, not its member banks. The general counsel is available to assist members with finding resources to help answer their questions. However, for specific legal advice about specific situations, members must consult and retain their own attorney.