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ARTICLES

What to Know about Rule 7.1 Citizenship Disclosure Requirements

An overview of the new citizenship disclosure requirements under the amended Federal Rule of Civil Procedure 7.1—and practice tips for the commercial litigator.

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[Federal Rule of Civil Procedure 7.1](#) originally required disclosure of information for judges to determine whether a conflict of interest existed. The rule, however, was recently amended to require parties in a diversity action to name and disclose the citizenship of every individual or entity whose citizenship can be attributed to each party. Amended Rule 7.1 took effect December 1, 2022. This change is particularly important for practitioners representing entities with attributed citizenship, including partnerships, limited partnerships, and limited liability companies (LLCs).

Overview of Amended Rule 7.1

The pertinent addition to Rule 7.1 reads:

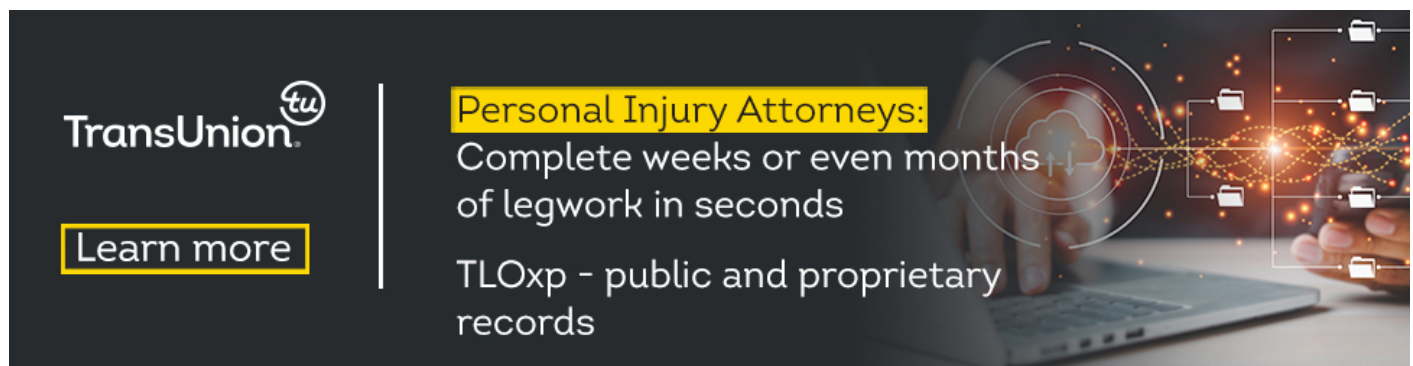
(2) **Parties or Intervenorors in a Diversity Case.** In an action in which jurisdiction is based on diversity under [28 U.S.C. § 1332\(a\)](#), a party or intervenor must, unless the court orders otherwise, file a disclosure statement. The statement must name—and identify the citizenship of—every individual or entity whose citizenship is attributed to that party or intervenor:

(A) when the action is filed in or removed to federal court, and

(B) when any later event occurs that could affect the court's jurisdiction under § 1332(a).

While the original intent of Rule 7.1 addressed a judge's prospective financial interest in the litigation, the amended rule focuses on a party's citizenship for purposes of diversity jurisdiction. [Memorandum from Committee on Rules of Practice and Procedure to Scott S. Harris, Clerk, Supreme Court of the United States](#) (Oct. 18, 2021), at 3. The Advisory Committee on Civil Rules explained that the new disclosure requirements protect against belated discovery of a diversity-destroying citizenship. [Report of the Advisory Committee on Civil Rules](#) 11 (Dec. 9, 2020).

The amended rule imposes an ongoing duty to inform the court of new, or changed, citizenship that could affect jurisdiction. This ongoing duty to disclose will require practitioners to remain abreast of the citizenship of their clients. This undertaking will require ongoing communication and cooperation with clients to ensure compliance.

A dark-themed advertisement for TransUnion. On the left, the TransUnion logo is displayed above a yellow-bordered button that says "Learn more". To the right of the logo, the text "Personal Injury Attorneys:" is highlighted in yellow, followed by "Complete weeks or even months of legwork in seconds" and "TLOxp - public and proprietary records". The background features a hand interacting with a laptop, overlaid with a glowing circular graphic and a network diagram of folders and lines.

The Difficulty of Determining Citizenship

Although a citizenship determination for individuals, and some corporate entities, is generally clear-cut, issues may arise in determining the citizenship of unincorporated entities, whose citizenship is determined by their owners or members. The comments to Rule 7.1 explain that “[a] party suing an LLC may not have all the information it needs to plead the LLC’s citizenship. The same difficulty may arise with respect to other forms of noncorporate entities . . . such as partnerships and limited partnerships” [Fed. R. Civ. P. 7.1](#) advisory committee’s note to 2022 amendment. For that reason, the process of determining citizenship can be extensive.

The committee recognized the challenges presented by attributed ownership, explaining that “elaborate . . . ownership structures may make it difficult, and at times impossible, . . . to identify all of the individuals and entities whose citizenships are attributed to [the entity], let alone determine what those citizenships are.” *Report of the Advisory Committee on Civil Rules* (Dec. 9, 2020), at 6. Despite these difficulties, the committee still emphasized “the imperative of ensuring complete diversity requires a determination of *all* of the citizenships attributed to every party.” *Id.* (emphasis added).

Potential Limitation on the New Disclosure Requirement

It is true, however, that extensive disclosure may not be required in every circumstance. The comments to amended Rule 7.1 suggest that a court may limit disclosures when “a party reveals a citizenship that defeats diversity jurisdiction” or where “the names of identified persons might be protected against disclosure to other parties when there are substantial interests in privacy.” Fed. R. Civ. P. 7.1 advisory committee’s note to 2022 amendment. While the required disclosures can be extensive in some cases, there are opportunities to avoid, or at least minimize, the extensive disclosure in others.

Practice Tips

As amended Rule 7.1 becomes common, practitioners should keep in mind the following practice tips:

- 1 Keep updated records of clients’ citizenship.** Practitioners should not wait until their clients sue, or are being sued, to begin compiling citizenship information. Rather, practitioners should maintain this information for all clients routinely.
- 2 Put in place policies with clients to regularly receive updated citizenship information.** Practitioners should work with clients to ensure they have the most updated information on attributed citizenship. This will ensure ongoing compliance with Rule 7.1.
- 3 Use the information in the new disclosure statements.** Practitioners should find creative ways to use the trove of information contained within the new disclosure statements. For example, practitioners will soon have access to previously unobtainable information about the citizenship of business entities such as LLCs. This information can be used when determining service of process.
- 4 Stay updated on judicial guidance about Rule 7.1.** Practitioners should be vigilant for new judicial guidance—through case law or otherwise—establishing the contours of the new disclosure requirement.

Conclusion

The amended Rule 7.1 places a heavy burden on practitioners representing institutional clients. Practitioners should put into place policies and procedures to ensure compliance with the new requirements. Those requirements, however, are still being developed. For that reason, practitioners should monitor the developing legal landscape surrounding Rule 7.1.

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