



Dear valued client:

Effective January 1, 2024, the Corporate Transparency Act (CTA) mandates that both newly formed and existing entities file a Beneficial Ownership Information Report (BOI) providing information on “beneficial owners” of the entity to the Financial Crimes Enforcement Network (FinCEN). Due to the requirements and legal implications, the preparation of the BOI report are outside the scope of services we are able to offer. Many of our clients will have reporting obligations under this law. We urge you to consult with your attorney for guidance on your compliance requirements. We are reaching out only to provide an overview of requirements and legal reporting obligations.

Penalties for Noncompliance

Penalties for noncompliance are \$500 per day for civil penalties up to \$10,000, and criminal penalties may include up to two years imprisonment.

Reporting Companies

All domestic and foreign entities that have filed business formation or registration documents with a secretary of state or similar governing office are subject to filing a BOI report. Large operating entities that employ more than 20 people, had gross revenue over \$5 million on the prior year’s tax return, *and* have a physical office in the U.S are exempt. You must meet *all three* criteria to be considered exempt.

Information Required

Business Information

1. Full legal name of the reporting company, including any trade or DBA names
2. Business address
3. State or governing jurisdiction of formation or registration
4. Federal Tax ID number

Beneficial Owner Information: **ANY** individual who exercises “substantial control”, whether directly or indirectly, over the reporting company **OR** owns at least 25% of the reporting company is considered a beneficial owner. This includes officers and any individual to appoint or remove company officers.

1. Name
2. Date of Birth
3. Address
4. Identification Number

Deadline to File

New entities created on or after January 1, 2024 must file within 90 days of formation/registration. Beginning January 1, 2025, new entities will be required to file BOI report within 30 days of formation/registration.

Existing companies created prior to January 1, 2024 must file a BOI report by January 1, 2025.

Corrections to previously filed BOI reports and any changes to information previously reported must be filed within 30 days of discovering the inaccuracy or within 30 days of the change in ownership.

For more information, please visit www.fincen.gov/boi