

New Federal Reporting Requirements for Some Companies

This letter is to make you aware of reporting requirements that went into effect on Jan. 1, 2024, that may require a business entity to report its beneficial ownership information (BOI) to the federal government.

Beginning Jan. 1, 2024, many companies in the United States will have to report information about their beneficial owners (the individuals who ultimately own or control the company) and company applicants (the individual(s) who directly files or is primarily responsible for the filing of the document that creates or registers the company). They will have to report the information to the Financial Crimes Enforcement Network (FinCEN). FinCEN is a bureau of the U.S. Department of the Treasury.

NOTE: This is a free filing that reporting companies can complete themselves. Be wary of official-looking mail from third-parties offering to complete the beneficial ownership reporting on behalf of your company for a fee.

Do I need to report?

Most businesses are small businesses that may need to file. Your company may need to report information about its beneficial owners if it is:

- A corporation, a limited liability company (LLC) or was otherwise created in the United States by filing a document with a secretary of state or any similar office under the law of a state or Indian tribe; or
- A foreign company and was registered to do business in any U.S. state or Indian tribe by such a filing.



Some entities are exempt from reporting. The [BOI Small Entity Compliance Guide](#) as lists exempt entities. Exemptions are based on business type, company size and whether it is an inactive entity.

How do I report?

Reporting companies will have to report beneficial ownership information electronically through FinCEN's website: fincen.gov/boi.

When must I report?

Reports will be accepted starting on Jan. 1, 2024.

- If your company was created or registered before Jan. 1, 2024, you will have until Jan. 1, 2025, to report BOI.
- If your company is created or registered on or after Jan. 1, 2024, and before Jan. 1, 2025, you must report BOI within 90 days of notice of creation or registration.
- If your company is created or registered on or after Jan. 1, 2025, you must report BOI within 30 days of notice of creation or registration.
- If there is any change to the required information about your company or its beneficial owners in a BOI report that your company filed, your company must file an updated BOI report no later than 30 days after the date on which the change occurred. The same 30-day timeline applies to changes in information submitted by an individual in order to obtain a FinCEN identifier (a unique ID used for FinCEN reporting). A reporting company is not required to file an updated report for any changes to previously reported personal information about a company applicant.

There are significant penalties for missing filing deadlines, including criminal (fines and/or imprisonment) or civil (monetary) penalties. There is a \$500 per day penalty, up to \$10,000, and imprisonment of up to two years for the willful failure to timely file initial or updated reports.

It will be your exclusive responsibility to comply with CTA, including its BOI reporting requirements. Information can be found at fincen.gov/boi. Please consult with legal counsel on additional questions and or concerns regarding how BOI reporting requirements and issues affect your company.

Finally, we wish to emphasize that we are sending you this letter to make you aware of these new current reporting requirements, associated risks, and suggest you contact legal counsel to assist you with the CTA and related BOI filings for entities that you own or control.

