

Beneficial Ownership Information (BOI) Reporting Requirement

Deadline: **January 1, 2025**

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What is the BOI Reporting Requirement?

The Financial Crimes Enforcement Network (FinCEN) has implemented a new rule under the Corporate Transparency Act (CTA) requiring certain businesses to report Beneficial Ownership Information (BOI). This initiative aims to combat financial crimes like money laundering and terrorism financing by increasing transparency in corporate structures.

Who Needs to Report?

Reporting Companies:

- **Domestic Entities:** Corporations, Limited Liability Companies (LLCs), or other entities created by filing a document with a secretary of state or any similar office under the law of a state or Indian tribe.
- **Foreign Entities:** Companies formed outside the U.S. but registered to do business within the U.S. by filing a document with a secretary of state or similar office.

Exemptions Include:

- Publicly traded companies.
- Banks and credit unions.
- Investment advisers and brokers.
- Insurance companies.
- Certain tax-exempt entities.
- **Note:** A complete list of exemptions is available on the FinCEN website.

What Needs Reported?

For Each Beneficial Owner and Company Applicant:

- Full Legal Name
- Date of Birth
- Current Residential or Business Street Address
- Unique Identifying Number (*from an acceptable identification document like a passport or driver's license*)
- Scanned Copy of the Identification Document

Definition of a Beneficial Owner:

- An individual who exercises substantial control over the company, or
- Owns or controls at least 25% of the company's ownership interests.

When to Report?

Deadlines:

- **Existing Companies (created or registered before January 1, 2024):** Must file by January 1, 2025.
- **New Companies (created or registered on or after January 1, 2024):**
 - » **In 2024:** Must file within 90 calendar days after receiving actual or public notice that their creation or registration is effective.
 - » **Beginning January 1, 2025:** Must file within 30 calendar days after receiving such notice.
- **Updates and Corrections:**
 - » Any updates or corrections to previously reported information must be filed within 30 days of the change.

This fact sheet is for informational purposes only and does not constitute legal advice.

Quick Links

FinCEN Website: [Click to View](#)
BOI E-Filing: [Click to View](#)
BOI Reference: [Click to View](#)

Why File?

Compliance with the BOI reporting requirement is mandatory under federal law. By providing accurate and timely information, you help combat illicit financial activities like money laundering and fraud, and protect your company from severe fines and legal consequences.

How to File

All required reports must be submitted electronically using FinCEN's secure online filing system (see Quick Links above). If you're unsure about any aspect of the filing process, consider consulting a vetted financial or legal professional for assistance.

Penalties for Not Filing

Failure to comply with BOI reporting requirements can lead to substantial civil and criminal penalties. **Civil penalties may reach \$591 per day** (adjusted annually for inflation), while **criminal penalties can include fines of up to \$10,000, imprisonment for up to two years, or both**. Violations include willfully failing to file, providing false information, or neglecting to update previous reports. These penalties may apply to those responsible for compliance, such as beneficial owners, senior officers, or other company representatives.

Steps to Ensure Compliance

1. **Assess Applicability:** Determine if your company falls under the reporting requirement or qualifies for an exemption.
2. **Gather Your Information:** Collect the required information for all beneficial owners and company applicants.
3. **File Timely Reports:** Submit your initial report and any updates or corrections within the specified deadlines.
4. **Consult Professionals:** Seek compliance advice if unsure about any aspect of the reporting process.