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SUBJECT

**ALL BUSINESS OWNERS PLEASE NOTE THIS
IMPORTANT REPORT**

Corporate Transparency Act Requires BOI Reporting to FinCEN

The Corporate Transparency Act (CTA) is upon us. It took effect on January 1, 2024, and imposes a new federal filing requirement for most corporations, limited liability companies (LLCs), and other business entities.

Corporations, LLCs, and other entities subject to the CTA are called “reporting companies.” People who form new reporting companies during 2024 must file a beneficial ownership information (BOI) report with the Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN) within 90 days of forming the company.

The owners of reporting companies created before 2024 must also file a BOI report, but

they have until January 1, 2025 (but think December 31, 2024).

Some businesses are exempt from filing—for example, large operating companies, which the CTA defines as those with over 20 employees and \$5 million in income. There are other, narrower exemptions as well.

The BOI report must contain the name, the birth date, the address, and an ID number and image of that ID for each “beneficial owner” of the reporting

company. These are the human beings who (1) own or control at least 25 percent of the company or (2) exercise “substantial control” over the company.

The BOI report is filed online at a new federal database called BOSS (an acronym for Beneficial Ownership Secure System). There is no filing fee.

Government law enforcement and security agencies will use the data from BOI reports to help combat money laundering, tax evasion, terrorism, and other crimes. It will not be available to the public.

Naturally, people have lots of questions about the BOI report filing requirements—for example:

- Do you have to file a BOI report if you own a single rental property in an LLC? (Yes.)
- Do you have to file 10 BOI reports if you own 10 LLCs? (Yes.)
- Can certified public accountants, enrolled agents, and other non-lawyers file BOI reports for clients without running afoul of unauthorized practice of law rules? (Unclear.)
- Are registered agents responsible for filing the BOI report? (No.)
- Do the self-employed have to file? (No.)
- Do I need to list a street address in the BOI report? (Yes.)
- Do I need to list my Social Security number in the BOI report? (No.)
- Do I need to list my attorney in the BOI report? (Maybe.)
- Must I file an updated BOI report if a beneficial owner leaves the company? (Yes.)