

BENEFICIAL OWNERSHIP INFORMATION - BOI

New Federal Reporting Requirement for Beneficial Ownership Information (BOI)

Effective January 1, 2024, many businesses in the United States are required to report information about their beneficial owners to the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury. Beneficial owners are the individuals who ultimately own or control the company.

This new reporting requirement is part of efforts to enhance transparency and combat financial crime. The process for filing is simple, secure, and free of charge. Reporting is not an annual requirement; a report needs to be submitted only once, unless there are updates or corrections to the previously submitted information.

For guidance on compliance, FinCEN has published a Small Entity Compliance Guide, which provides valuable information to assist small businesses in meeting these reporting obligations.

Who Needs to Report?

Certain types of companies—referred to as reporting companies—are required to report their beneficial ownership information. Your company may need to report if it is:

- a. A corporation, limited liability company (LLC), or similar entity created by filing a document with a U.S. state or Indian tribe.
- b. A foreign company that has registered to do business in the United States through such a filing with a state or Indian tribe.

These companies must report the beneficial owners who exercise significant control or ownership.

Who Does Not Need to Report?

Not all entities are required to report beneficial ownership information. 23 types of entities are exempt, including:

- Publicly traded companies
- Nonprofit organizations
- Certain large operating companies

To determine whether your company qualifies for an exemption, refer to FinCEN's Small Entity Compliance Guide, which includes checklists for each exemption. You can review Chapter 1.2 of the Guide for more detailed information.

How to Report

Reporting companies must submit their beneficial ownership information electronically via FinCEN's website: www.fincen.gov/boi. The online system provides a confirmation receipt once a completed report has been filed.

When to Report

- If your company was created or registered before January 1, 2024: You have until January 1, 2025 to submit your report.
- If your company was created or registered in 2024: You must file your report within 90 calendar days after receiving notice that the company's creation or registration is effective (whichever is earlier).
- If your company is created or registered on or after January 1, 2025: You must submit the report within 30 calendar days after receiving notice of the company's creation or registration.

Any updates or corrections to previously filed beneficial ownership information must be submitted within 30 days.