

Attention Business Owners!

Have you heard?

New Federal Reporting Requirement for Beneficial Ownership Information (BOI)

We'd like to make you aware of new reporting requirements for many businesses, which can include single-member and multi member LLC's, C and S Corporations.

What is it? Starting January 1, 2024, certain businesses will be required to comply with the Corporate Transparency Act (CTA) which includes the filing of Beneficial Ownership (BOI) reports. These reports will be administered by the Financial Crimes Enforcement Network (FinCEN) and establishes a database of companies' beneficial ownership information to be used by law enforcement. This is not an Internal Revenue Service (IRS) issue.

Who is a Beneficial Owner? A beneficial owner is any individual who:

- Directly or indirectly owns 25% or more of the company's equity interests, or
- Exercises substantial control over the company through ownership, control, or other means.

Important Filing Dates:

- Existing companies created or registered prior to 2024 must file **before** January 1, 2025.
- Companies created or registered **during** 2024 must file within 90 days of inception.

*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.*

What are the next steps?

It will be your exclusive responsibility to comply with CTA, including its BOI reporting requirements. Information can be found at <https://www.fincen.gov/boi>.

Please consult with legal counsel on additional questions and or concerns regarding how BOI reporting requirements and issues may affect your company.

We understand that navigating new regulations can be challenging. If you have any questions or would like us to provide a legal council recommendation, please do not hesitate to contact us at 732-554-1000.