

## Beneficial Ownership Reporting *Summary of Key Information*

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*Note: The Corporate Transparency Act (CTA) requires certain companies to provide information regarding beneficial ownership and control. JTaylor explicitly disclaims any responsibility for beneficial ownership information (BOI) reporting in connection with the CTA. It is each company's responsibility to comply with applicable reporting requirements under the CTA.*

*This summary is intended to provide general information about the CTA and the associated reporting requirements and does not constitute legal advice. The information contained herein was obtained from sources we believe to be reliable. However, JTaylor makes no representations, warranties, or guarantees about, and assumes no responsibility for, the content or application of the information contained herein, or in the linked resources. Further, JTaylor expressly disclaims all liability for any damages arising from the use of, reference to, or reliance on such material. We recommend that you consult with competent legal counsel for guidance regarding your reporting responsibilities in connection with the CTA.*



### Reporting Companies

- **Domestic and foreign** entities (including corporations and limited liability companies) **that have filed formation or registration documents with a U.S. state** (or Indian tribe) are required to report Beneficial Ownership Information (BOI) to the Financial Crimes Enforcement Network (FinCEN) unless they meet one of 23 specified exemptions.
  - Many of the exempt entities are already heavily regulated by the government and therefore already have an obligation to disclose their BOI to a government authority.
  - Large companies may be exempt if they meet all the following criteria:
    - Employ >20 full-time employees (averaging 30+ hours per week) in the U.S.,
    - Have an operating presence at a physical location within the U.S., and
    - Reported >\$5 million in gross receipts or sales (excluding amounts from foreign sources) on a Federal income tax return or information return filed in the U.S. for the previous year.



### Filing Deadlines

- **Existing entities** (created/registered before January 1, 2024) must file by **January 1, 2025**.
- **New entities** (created/registered after December 31, 2023) must file **within 90 days**.
- Reporting companies that have any changes to previously reported information or discover inaccuracies in previously filed reports must file **within 30 days**.



## Beneficial Owners

- A beneficial owner is any individual who, directly or indirectly, either:
  - Exercises “substantial control” over a reporting company, or
  - Owns or controls at least 25% of the ownership interests of a reporting company.
- “**Substantial control**” refers to an individual meeting *any* of four general criteria:
  - Senior officer
  - Authority to appoint or remove certain officers or a majority of directors;
  - Important decision-maker, or
  - Exerts any other form of substantial control over the reporting company.
  - *Note: A trustee of a trust may exercise substantial control over a reporting company.*
- “**Ownership interests**” generally refer to arrangements that establish ownership rights in the reporting company (may include equity, stock, or voting rights; capital or profits interest; convertible instruments; options; etc.).



## Company Applicants

- A reporting company created **on or after January 1, 2024**, or first registered to do business in the U.S. after such date, must report its company applicants.
  - All company applicants must be individuals.



## Required Information

- Each reporting entity is required to report the following information:
  - Full legal name of the reporting company, and any trade name or “doing business as” (DBA) names
  - Address of the principal place of business in the U.S.
  - State, Tribal or foreign jurisdiction of formation or registration
  - IRS Taxpayer ID Number (TIN)
- Each reporting company must report the following details on its beneficial owners and, for newly created entities, its company applicant(s):
  - Name
  - Date of birth
  - Address
  - Unique identifying number and issuing jurisdiction from an acceptable identification document, and an image of such document



## How to File

- BOI reports may be submitted electronically through a secure filing system.
  - FinCEN will begin accepting reports on January 1, 2024.
  - FinCEN will publish instructions and other technical guidance at [www.fincen.gov/boi](http://www.fincen.gov/boi)



## FinCEN Identifier

- A FinCEN identifying number may be issued to an individual or reporting company upon request after the individual or entity provides certain information directly to FinCEN.
  - Reporting companies may then report an individual's FinCEN identifier in place of the required personal information on the BOI report.
  - Providing a FinCEN identifier to a reporting company shifts the responsibility for notifying FinCEN of any changes to the individual's personal information from the reporting company to the individual.



## Changes and Corrections

- If there is **any** change to the required information about the reporting company or its beneficial owners, the reporting company must file an updated BOI report **within 30 days** of the change.
- **Reportable changes** include (but are not limited to) the following:
  - Change to the information reported for the company (e.g., registration of a new DBA)
  - Change in beneficial owners (new officer, transaction that changes the 25% ownership interest threshold, death of a beneficial owner, etc.)
  - Change in beneficial owner's name, address, or unique identifying number
- Any identified inaccuracy in a previously filed BOI report must be corrected **within 30 days** of becoming aware of it (or having reason to know of it).
  - There are no penalties for filing an inaccurate BOI if it is corrected within 90 calendar days of when it was filed.



## Penalties for Noncompliance

- Willful failure to report complete or updated BOI information, or willful attempt to provide false or fraudulent information, may result in:
  - **Civil penalties** up to **\$500 per day** that a violation continues, and/or
  - **Criminal penalties**, including a **\$10,000 fine** and/or up to **two years of imprisonment**.

### Resources from the Financial Crimes Enforcement Network:

- [An Introduction to Beneficial Ownership Information Reporting](#)
- [Beneficial Ownership Reporting – Key Questions](#)
- [Beneficial Ownership Information Reporting Rule Fact Sheet](#)
- [Beneficial Ownership Information Reporting: Frequently Asked Questions](#)
- [Small Entity Compliance Guide: Beneficial Ownership Information Reporting Requirements](#) – Version 1.0, September 2023.
  - *Note: This compliance guide includes checklists and examples to aid in the determination of whether a company is required to report and the identification of beneficial owners and company applicants.*