

Starting **January 1, 2024**, most small businesses will have to report information about their *beneficial owners* (individuals who own or control the business) to the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury.

## ■ DOES MY COMPANY NEED TO REPORT?

Companies required to report are called **reporting companies**. Reporting companies may have to obtain information from their beneficial owners and *company applicants* and then report that information to FinCEN.

### Reporting Companies

Reporting companies include corporations, limited liability companies (LLCs), or other entities created or registered by filing a document with a secretary of state or similar state office.

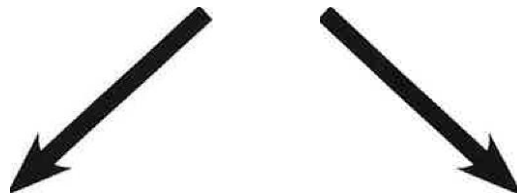
### Exempt from Reporting

- Twenty-three types of entities, including publicly traded companies and nonprofits
- Certain large operating companies that have
  - more than 20 full-time employees,
  - more than \$5 million in annual gross receipts or sales, and
  - a physical operating presence in the United States.

## ■ WHO ARE MY COMPANY'S BENEFICIAL OWNERS?

### Beneficial Owners

Any individual who exercises *substantial control* over a reporting company or owns or controls at least 25% of the *ownership interest* of a reporting company



### Substantial Control

An individual has substantial control if

- they are a senior officer,
- they have authority to appoint or remove certain officers or a majority of directors,
- they are an important decision maker, or
- they have any other form of substantial control over the company.

**Note for trusts:** a trustee, beneficiary, or grantor, in certain circumstances, may exercise substantial control over a company.

### Ownership Interest

An ownership interest includes one or more of the following:

- equity, stock, or voting rights
- a capital or profit interest
- convertible instruments
- options or other nonbinding privileges to buy or sell any of the foregoing
- any other instrument, contract, or other mechanism used to establish ownership

## ■ SHOULD MY COMPANY REPORT A COMPANY APPLICANT?

Company applicant information is only required for entities created or registered on or after January 1, 2024.

### Company Applicant

1. The individual who filed the document that created or first registered the reporting company
2. The individual who was primarily responsible for directing or controlling the filing

## ■ WHAT INFORMATION SHOULD MY COMPANY REPORT?

### Reporting Companies

1. Legal name
2. Trade name, if any
3. US address
4. Jurisdiction of formation
5. Tax ID number (TIN)

### Beneficial Owners

1. Legal name
2. Date of birth
3. Residential address
4. Identifying number, jurisdiction, and image of
  - a. US passport
  - b. State driver's license
  - c. State-issued identification

### Company Applicants

Same information as required for beneficial owners (the address can be a business address)

FinCEN will accept reports electronically beginning January 1, 2024, through its website [www.fincen.gov/boi](http://www.fincen.gov/boi).

## ■ WHEN DOES MY COMPANY NEED TO REPORT?

### Company Type

### Date Created

### Due Date

Existing

*Before* Jan 1, 2024

January 1, 2025

New

*During* 2024

90 days after entity creation

New

*After* 2024

30 days after entity creation

Changes, updates, and corrections to previously reported information

30 days after change or inaccuracy

## ■ PENALTIES FOR FAILURE TO REPORT

### CIVIL Penalties

\$500 per day; \$10,000 maximum

### CRIMINAL Penalties

Two years' imprisonment

Senior company officers may be held personally liable for penalties.

## ■ WHERE CAN I FIND MORE INFORMATION?

Additional information is available at [www.fincen.gov/boi-faqs](http://www.fincen.gov/boi-faqs).