

BOI and FinCEN Requirement?

To comply with the new Beneficial Ownership Information (BOI) reporting requirements under the **Corporate Transparency Act (CTA)** of all reporting companies are entities created or registered in the US by filing a document with a secretary of state or similar office unless it qualifies for one of 23 exemptions. Companies formed or registered under SOS in the US effective January 1, 2024, must report information about their beneficial owners—the individuals who ultimately own or control the company—to the **Financial Crimes Enforcement Network (FinCEN)**, a bureau of the **U.S. Department of the Treasury**.

Reporting companies are small businesses, including corporations, LLCs, PLLCs, LLPs, LPs, business trusts, that registered with secretary of state or similar office and formed in US to Report Ownership Information. Identify those who directly or indirectly own or control the company. Except those are exempt from FinCEN Boi reporting. A controlling person is defined as an individual who has significant responsibility for managing the business/legal entity (e.g. CEO, CFO, Treasurer, etc.). Each beneficial owner and all those who directly or indirectly own a 25% stake or higher in the business/legal entity.

23 types of entities are exempt from the beneficial ownership information reporting requirements. These entities include **publicly traded companies**, **many nonprofits**, and **certain large operating companies employ over 25, gross sales \$5,000,000 and more.**

FinCEN's mission and purpose is to detect, investigate, safeguard the financial system from illicit use and **combat money** laundering, other financial crimes, and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.

The penalties for BOI reporting violations and for the unauthorized disclosure or use of BOI are substantially high effective January 1, 2024, for not complying.

To file yourself go to <https://boiefiling.fincen.gov/>