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New Federal Reporting Requirement for Beneficial Ownership Information (“BOI”)

This correspondence is to make you aware of reporting requirements that went into effect on **January 1, 2024**, that may require your business entity to report its beneficial ownership information to the Federal government.

The Corporate Transparency Act (“CTA”) expanded anti-money laundering laws and created new reporting requirements for certain companies doing business in the US. Beginning on January 1, 2024, many companies in the United States now have to report information about their beneficial owners, i.e., the individuals who ultimately own or control the company. They now have to report the information to the **Financial Crimes Enforcement Network (“FinCEN”)**. FinCEN is a bureau of the U.S. Department of the Treasury.

NOTE: This is a **free** filing that companies can complete themselves. Be wary of official-looking mail from a third-party company offering to complete the beneficial ownership reporting on behalf of your company for a fee.

Do I Need to Report?

Most businesses are small businesses that may need to file. Your company may need to report information about its beneficial owners if it is:

- 1) A corporation, a limited liability company (“LLC”), or was otherwise created in the United States by filing a document with a secretary of state or any similar office under the law of a state or Indian tribe; or
- 2) A foreign company and was registered to do business in any U.S. state or Indian tribe by such a filing.

How Do I Report?

Reporting companies are to report beneficial ownership information electronically through FinCEN's website: www.fincen.gov/boi.

What Information Must be Provided?

Beneficial ownership information must be reported for the reporting company’s *beneficial owners* and (for entities formed or registered after 2023) *company applicants*. BOI includes an individual’s full legal name, date of birth, street address and a unique ID number. The unique ID number can be from a non-expired US passport, state driver’s license, or other government-issued ID card. If the individual does not have any of those documents, then a non-expired foreign passport can be used. An image of the document showing the unique ID number must also be included with the report.

Two groups of individuals are considered beneficial owners of a reporting company: (1) any individual who directly or indirectly owns or controls at least 25% of the *ownership interests* of

the reporting company; or (2) any individual who exercises *substantial control* over the reporting company.

Individuals with substantial control are those with substantial influence over important decisions about a reporting company's business, finances, and structure. Senior officers (president, CFO, general counsel, CEO, COO, and any other officer who performs a similar function) are automatically deemed to have substantial control, as are individuals with the authority to appoint or remove senior officers and board members. There is no requirement that these individuals have actual ownership in the company to be considered a beneficial owner for reporting purposes.

When Do I Report?

- If your company was created or registered before January 1, 2024, you will have until January 1, 2025, to report BOI.
- If your company was created or registered on or after January 1, 2024 and before January 1, 2025, you are required to report BOI within 90 days of notice of creation or registration. If you have not yet filed your report, you should do so now.
- If your company is created or registered on or after January 1, 2025, you must report BOI within 30 days of notice of creation or registration.
- If there is ***any change*** to the required information about your company or its beneficial owners in a BOI report that your company filed, your company must file an updated BOI report no later than 30 days after the date on which the change occurred. The same 30-day timeline applies to changes in information submitted by an individual in order to obtain a FinCEN identifier. A reporting company is not required to file an updated report for any changes to previously reported personal information about a company applicant.

The penalties for willfully failing to file both initial and updated reports are steep-\$500 per day that the report is late, up to \$10,000 and imprisonment for up to two years.

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 call the office at 614-855-6527, or email Jackie at Jackie@maclarenlaw.net, with additional questions and/or concerns regarding how BOI reporting requirements and issues effects your company or if you desire assistance with submitting your Company's BOI report. If you would like MacLaren Law to assist with filing your BOI report, please complete this **FORM** and submit it to our office as soon as possible.

Finally, we wish to emphasize that we are sending you this notice to make you aware of these new current reporting requirements, associated risks, and suggest you contact us to assist you with the CTA and related BOI filings for entities that you own or control.

Regards,

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