

The Financial Crimes Enforcement Network (FinCEN) established a beneficial ownership information requirement (BOI) under the Corporate Transparency Act (CTA) whereby most U.S entities must report information on their beneficial owners to FinCEN starting on January 1, 2024.

It is anticipated that 32.6 million businesses will be required to comply with this reporting requirement. The intent of the BOI reporting requirement is to help US law enforcement combat money laundering, the financing of terrorism and other illicit activity.

Here's what we know:

- Single member LLC's (even if filing Schedule C or Schedule E for rental properties), multi-member LLC's, S corporations and C Corporations must disclose beneficial ownership:
- Within 90 days of formation of a new business in 2024; or
- By December 31, 2024 for companies that were in existence before 2024.
- Beneficial owner information includes full legal name, date of birth, residential street address and passport or driver's license image (picture).
- A beneficial owner is an individual owning 25% or more of the entity, as well as officers, board members and non-owner managers.
- Ownership and address changes will have to be reported within 30 days of occurrence.
- **The risk for non-compliance can result in penalties of \$500 per day and up to two years of jail time.**

Make sure you tell us about any new entities you establish or have established in the past.

We will update you as soon as we have additional information.