

**CORPORATE TRANSPARENCY ACT - BOI INFORMATION SHEET**

**WHAT:** The Department of Treasury’s Financial Crimes Enforcement Network (FinCEN) recently published a rule requiring small companies to report certain information for each beneficial owner of the company. The rule is informally referred to as the Beneficial Owners Information or BOI Rule. The BOI Rule was mandated by the 2020 Corporate Transparency Act, and is estimated to affect over 32 million entities. The purpose of the rule is to assist law enforcement to prevent financial crimes of money laundering and financing of terrorism acts.

**WHO:** Under the BOI Rule, a reporting company required to file BOI, is an existing or future company, including LLCs, LLPs, Business Trusts et. al., with less than 20 employees **and** $5 million or less in annual revenue. There are exemptions; however, these apply primarily to companies involved in the financial and insurance sectors.

**WHEN:** The rule went into effect on January 1, 2024, and requires existing companies to file the required BOI for each beneficial owner by January 1, 2025; new companies, in existence as of January 1, 2024, must file the required BOI within 90 days of registration. The BOI only needs to be reported once, unless/until it changes – then changes/updates must be made within 30-days of the change.

**WHERE:** FinCEN created an online portal, where the BOI report is to be filed. It can be accessed here: [**https://www.fincen.gov/boi**](https://www.fincen.gov/boi)

**PENALTIES:**  Willful failure to report or complete an updated BOI report or attempt to provide false or fraudulent information can result in both civil and criminal penalties, including up to $500/day for each day of the violation or imprisonment.

**REPORTING REQUIREMENTS:** Generally, companies must provide the following information for each beneficial owner:

 1. Full legal name;

 2. Date of birth;

 3. Address:

 4. Identifying number and issuer, along with a copy of it (e.g. non-expired drivers license or passport)

 5. Name(s) and address of business

 6. State where business is registered

 7. New companies must also submit information on who formed the company

**RESOURCES:**

**1. FinCEN website:** [**https://www.fincen.gov/**](https://www.fincen.gov/)

**2. BOI Rule FAQs:** [**https://www.fincen.gov/boi-faqs**](https://www.fincen.gov/boi-faqs)

**3. FinCEN’s “Small Entities Compliance Guide”:** [**https://www.fincen.gov/boi/small-entity-compliance-guide**](https://www.fincen.gov/boi/small-entity-compliance-guide)

**4. NFIB’s Free Webinar:** [**https://www.nfib.com/webinars/**](https://www.nfib.com/webinars/)