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The Corporate Transparency Act and Beneficial Ownership Information Reporting

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Background and Overview

The Corporate Transparency Act and Beneficial Ownership Information Rule

BACKGROUND AND OVERVIEW

- ▶ In January 2021, Congress enacted the Corporate Transparency Act (“CTA”) to combat the funding of illicit activities.
- ▶ In September 2022, the U.S. Department of the Treasury’s (“DOT’s”) Financial Crimes Enforcement Network (“FinCEN”) issued a final rule (the “Beneficial Ownership Information Rule” or “BOI Rule”) implementing the BOI reporting requirements of the CTA.
 - The BOI Rule describes who must file BOI reports (i.e., Reporting Companies), what information they must provide, and when they must file BOI reports.
 - The BOI Rule is intended to promote corporate transparency and prevent money laundering and other illicit activities conducted through shell companies or opaque entity ownership structures.
 - The Reporting Rule is found at 1010.380 in title 31 of the Code of Federal Regulations (CFR).
- ▶ The BOI Rule requires Reporting Companies—generally legal entities formed or registered to do business in the United States that do not fall into one of the CTA’s enumerated exemptions—to file BOI reports with FinCEN.
- ▶ “Beneficial Ownership Information” includes basic information about the legal entity (e.g., address) and information about the entity’s Company Applicants and Beneficial Owners.
- ▶ Starting on January 1, 2024, BOI reports must be filed electronically using FinCEN’s secure filing system. FinCEN will store BOI reports in a centralized database and only share this information with authorized users for purposes specified by law.

Who Has Access to the BOI Reports

- ▶ December 21, 2023: FinCEN issued final rule implementing the access and safeguarding provisions of the CTA and BOI Rule (the “Access Rule”)
 - The Access Rule prescribes the circumstances under which BOI reported to FinCEN may be disclosed to authorized recipients and protected
- ▶ The CTA establishes that BOI is confidential and may not be disclosed except as authorized under the CTA and the Access Rule
 - BOI reports are not expected to be accessible through Freedom of Information Act (FOIA) requests
- ▶ BOI reports and related Reporting Company information (e.g., Beneficial Owners) will be maintained in FinCEN’s Beneficial Ownership Secure System (BOSS)
 - Access is limited to:
 - Federal agencies, only when furthering national security, intelligence, or law enforcement activities (includes both criminal and civil investigations and actions, such as actions to impose civil penalties, civil forfeiture actions, and civil enforcement through administrative proceedings.)
 - State, local, and tribal law enforcement agencies, as part of criminal or civil investigations if authorized by a court of competent jurisdiction
 - Foreign governments and foreign law enforcement agencies, only to the extent requests are made by a foreign law enforcement agency, prosecutor, or judge and such request is approved by FinCEN
 - Certain financial institutions seeking to comply with customer due diligence (CDD) requirements if they have permission from the reporting company in question and regulators supervising them for compliance with such requirements
 - CDD requirements include any legal requirement or prohibition designed to counter money laundering or terrorism financing, or to safeguard US national security
 - U.S. Department of the Treasury

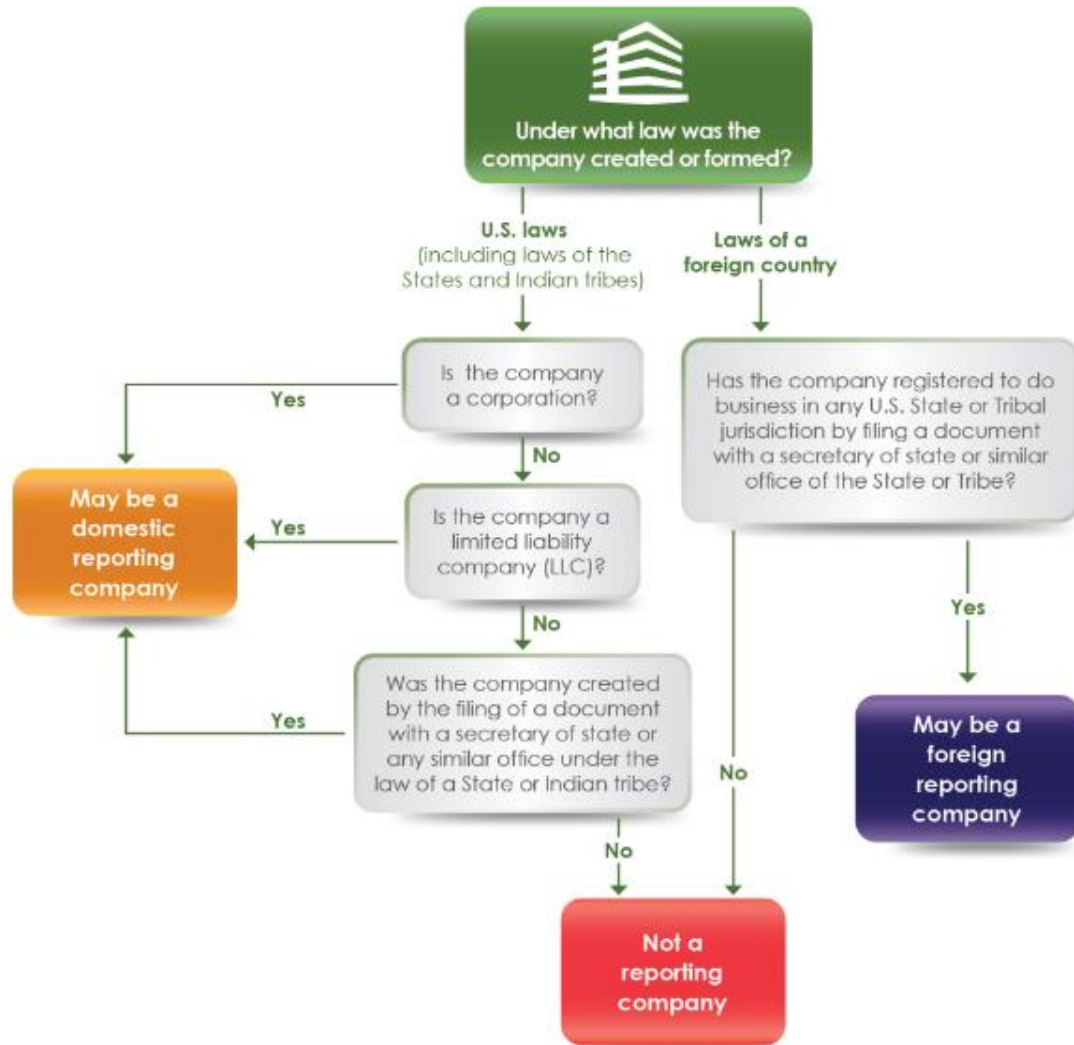
Penalties for Compliance Failures

- ▶ Penalties for violating BOI Rule reporting requirements (non-compliance) can be severe.
 - As specified in the CTA, a person who willfully violates the BOI Rule reporting requirements may be subject to **civil penalties of up to \$500 for each day that the violation continues**. That person may also be subject to **criminal penalties of up to two years imprisonment and a fine of up to \$10,000**.
 - Potential violations include willfully failing to file a BOI report, willfully filing false beneficial ownership information, or willfully failing to correct or update previously reported beneficial ownership information.
- ▶ Who is liable for violating BOI reporting requirements
 - Both individuals and corporate entities can be held liable for willful violations.
 - This can include not only an individual who actually files (or attempts to file) false information with FinCEN, but also anyone who willfully provides the filer with false information to report. Both individuals and corporate entities may also be liable for willfully failing to report complete or updated beneficial ownership information; in such circumstances, individuals can be held liable if they either cause the failure or are a senior officer at the company at the time of the failure.
 - **i. Can an individual who files a report on behalf of a reporting company be held liable?**
 - Yes. An individual who willfully files a false or fraudulent beneficial ownership information report on a company's behalf may be subject to the same civil and criminal penalties as the reporting company and its senior officers.
 - **ii. Can a beneficial owner or company applicant be held liable for refusing to provide required information to a reporting company?**
 - Yes. An enforcement action can be brought against an individual who willfully causes a reporting company's failure to submit complete or updated beneficial ownership information to FinCEN. This would include a beneficial owner or company applicant who willfully fails to provide required information to a reporting company.

Reporting Companies

Does my company have to report its beneficial owners?

IS MY COMPANY A REPORTING COMPANY?



► There are two types of reporting companies:

- **Domestic Reporting Companies (formed in the US):** corporations, limited liability companies, and any other entities created by the filing of a document with a secretary of state or any similar office in the United States.
- **Foreign Reporting Companies (formed outside the US):** entities (including corporations and limited liability companies) formed under the law of a foreign country that have registered to do business in the United States by the filing of a document with a secretary of state or any similar office.

Does my company have to report its beneficial owners?

IS MY COMPANY EXEMPT FROM THE REPORTING REQUIREMENTS? THE 23 EXEMPTIONS

Exemption No.	Exemption Short Title
1	Securities reporting issuer
2	Governmental authority
3	Bank
4	Credit union
5	Depository institution holding company
6	Money services business
7	Broker or dealer in securities
8	Securities exchange or clearing agency
9	Other Exchange Act registered entity
10	Investment company or investment advisor
11	Venture capital fund advisor
12	Insurance company

Exemption No.	Exemption Short Title
13	State-licensed insurance producer
14	Commodity Exchange Act registered entity
15	Accounting firm
16	Public utility
17	Financial market utility
18	Pooled investment vehicle
19	Tax-exempt entity
20	Entity assisting a tax-exempt entity
21	Large operating company
22	Subsidiary of certain exempt entities
23	Inactive entities

Does my company have to report its beneficial owners?

IS MY COMPANY A TAX-EXEMPT ENTITY (EXEMPTION #19)?

► An entity qualifies as a tax-exempt entity if **ANY** of the four following criteria are met:

1. The entity is an organization that is described in section 501(c) of the Internal Revenue Code of 1986 (Code) (determined without regard to section 508(a) of the Code) and exempt from tax under section 501(a) of the Code .	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. The entity is an organization that is described in section 501(c) of the Code , and was exempt from tax under section 501(a) of the Code , but lost its tax-exempt status less than 180 days ago.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. The entity is a political organization, as defined in section 527(e)(1) of the Code , that is exempt from tax under section 527(a) of the Code .	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. The entity is a trust described in paragraph (1) or (2) of section 4947(a) of the Code .	<input type="checkbox"/> Yes <input type="checkbox"/> No

Does my company have to report its beneficial owners?

IS MY COMPANY AN ENTITY ASSISTING A TAX-EXEMPT ENTITY (EXEMPTION #20)?

► An entity qualifies as an entity assisting a tax-exempt entity if **ALL FOUR** of the following criteria are met:

1. The entity operates exclusively to provide financial assistance to, or hold governance rights over, any tax-exempt entity described by Exemption #19 .	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. The entity is a United States person as defined in section 7701(a)(30) of the Internal Revenue Code of 1986 .	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. The entity is beneficially owned or controlled exclusively by one or more United States persons that are United States citizens or lawfully admitted for permanent residence. “Lawfully admitted for permanent residence” is defined in section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)).	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. The entity derives at least a majority of its funding or revenue from one or more United States persons that are United States citizens or lawfully admitted for permanent residence.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Does my company have to report its beneficial owners?

IS MY COMPANY A LARGE OPERATING COMPANY (EXEMPTION #21)?

► An entity qualifies as a large operating company if **ALL SIX** of the following criteria are met:

<p>1. The entity employs more than 20 full time employees, when applying the meaning of full-time employee provided in 26 CFR 54.4980H-1(a) and 54.4980H-3. In general, “full-time employee” means, with respect to a calendar month, an employee who is employed an average of at least 30 hours of service per week with an employer.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>4. The entity entity filed a Federal income tax or information return in the United States for the previous year demonstrating more than \$5,000,000 in gross receipts or sales. If the entity is part of an affiliated group of corporations within the meaning of 26 U.S.C. 1504, refer to the consolidated return for such group.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>2. More than 20 full-time employees of the entity are employed in the “United States,” as that term is defined in 31 CFR 1010.100(hhh).</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>5. The entity reported this greater-than-\$5,000,000 amount as gross receipts or sales (net of returns and allowances) on the entity’s IRS Form 1120, consolidated IRS Form 1120, IRS Form 1120-S, IRS Form 1065, or other applicable IRS form.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>3. The entity has an operating presence at a physical office within the United States. “Operating presence at a physical office within the United States” means that an entity regularly conducts its business at a physical location in the United States that the entity owns or leases and that is physically distinct from the place of business of any other unaffiliated entity.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>6. When gross receipts or sales from sources outside the United States, as determined under Federal income tax principle, are excluded from the entity’s amount of gross receipts or sales, the amount remains greater than \$5,000,000.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

Does my company have to report its beneficial owners?

IS MY COMPANY A SUBSIDIARY OF CERTAIN EXEMPT ENTITIES (EXEMPTION #22)?

► An entity qualifies as a subsidiary of an exempt entity if the following criterion applies:

1. The entity's ownership interests are controlled or wholly owned, directly or indirectly, by **any** of these types of exempt entities:
 - Securities reporting issuer, as defined in [Exemption #1](#);
 - Governmental authority, as defined in [Exemption #2](#);
 - Bank, as defined in [Exemption #3](#);
 - Credit union, as defined in [Exemption #4](#);
 - Depository institution holding company, as defined in [Exemption #5](#);
 - Broker or dealer in securities, as defined in [Exemption #7](#);
 - Securities exchange or clearing agency, as defined in [Exemption #8](#);
 - Other Exchange Act registered entity, as defined in [Exemption #9](#);
 - Investment company or investment adviser, as defined in [Exemption #10](#);
 - Venture capital fund adviser, as defined in [Exemption #11](#);
 - Insurance company, as defined in [Exemption #12](#);
 - State-licensed insurance producer, as defined in [Exemption #13](#);
 - Commodity Exchange Act registered entity, as defined in [Exemption #14](#);
 - Accounting firm, as defined in [Exemption #15](#);
 - Public utility, as defined in [Exemption #16](#);
 - Financial market utility, as defined in [Exemption #17](#);
 - Tax-exempt entity, as defined in [Exemption #19](#); or
 - Large operating company, as defined in [Exemption #21](#).

Yes No

Does my company have to report its beneficial owners?

IS MY COMPANY AN INACTIVE ENTITY (EXEMPTION #23)?

► An entity qualifies as an inactive entity if **ALL SIX** of the following criteria are met:

1. The entity was in existence on or before January 1, 2020.	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. The entity is not engaged in active business.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. The entity is not owned by a foreign person, whether directly or indirectly, wholly or partially. “Foreign person” means a person who is not a United States person. A United States person is defined in section 7701(a)(30) of the Internal Revenue Code of 1986 as a citizen or resident of the United States, domestic partnership and corporation, and other estates and trusts.	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. The entity has not experienced any change in ownership in the preceding twelve-month period.	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. The entity has not sent or received any funds in an amount greater than \$1,000, either directly or through any financial account in which the entity or any affiliate of the entity had an interest, in the preceding twelve-month period.	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. The entity does not otherwise hold any kind or type of assets, whether in the United States or abroad, including any ownership interest in any corporation, limited liability company, or other similar entity.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Does my company have to report its beneficial owners?

ARE STATUTORY TRUSTS, BUSINESS TRUSTS, OR FOUNDATIONS, REPORTING COMPANIES?

► **It Depends.**

- A domestic (or foreign) entity such as a statutory trust, business trust, or foundation is a reporting company only if it was created (or registered to do business in the US) by the filing of a document with a secretary of state or similar office.
- State laws vary on whether certain entity types, such as trusts, require the filing of a document with the secretary of state or similar office to be created or registered.
 - If a trust is created in a U.S. jurisdiction that requires such filing, then it is a reporting company, unless an exemption applies.
- The registration of a trust with a court of law merely to establish the court's jurisdiction over any disputes involving the trust does not make the trust a reporting company.

Does my company have to report its beneficial owners?

IS A SOLE PROPRIETORSHIP A REPORTING COMPANY?

- ▶ **No, unless** a sole proprietorship was created (or, if a foreign sole proprietorship, registered to do business) in the United States by **filing a document with a secretary of state or similar office.**
- ▶ An entity is a reporting company only if it was created (or, if a foreign company, registered to do business) in the United States by filing such a document.
- ▶ Filing a document with a government agency to obtain (1) an IRS employer identification number, (2) a fictitious business name, or (3) a professional or occupational license does not create a new entity, and therefore does not make a sole proprietorship filing such a document a reporting company.

Beneficial Owners

Who is a Beneficial Owner of the Reporting Company

- ▶ A beneficial owner is any individual who, directly or indirectly:
 - Exercises **substantial control** over a reporting company; or
 - Owns or controls at least 25 percent of the **ownership interests** of a reporting company
- ▶ Must be an individual that is reported as beneficial owner
- ▶ An individual might be a beneficial owner through substantial control, ownership interests, or both.
- ▶ A reporting company can have multiple beneficial owners.
 - For example, a reporting company could have one beneficial owner who exercises substantial control over the reporting company, and a few other beneficial owners who own or control at least 25 percent of the ownership interests of the reporting company.
 - A reporting company could have one beneficial owner who both exercises substantial control and owns or controls at least 25 percent of the ownership interests of the reporting company.
- ▶ Reporting companies are required to identify all individuals who exercise substantial control over the company.
 - There is no limit to the number of individuals who can be reported for exercising substantial control.
- ▶ There is no maximum number of beneficial owners who must be reported.

Beneficial Owners

SUBSTANTIAL CONTROL

- ▶ Reporting companies are required to identify **all** individuals who exercise **substantial control** over the company.
- ▶ An individual exercises substantial control over a reporting company if the individual meets any of four general criteria:
 - (1) the individual is a senior officer;
 - (2) the individual has authority to appoint or remove senior officers or a majority of directors of the reporting company;
 - (3) the individual is an important decision-maker; or
 - (4) the individual has any other form of substantial control over the reporting company (catch-all).
- ▶ Individuals may directly or indirectly exercise substantial control - through contracts, arrangements, understandings, relationships or otherwise.
 - Direct examples: board representation; ownership or control of a majority of voting power or voting rights; rights associated with financing or interest
 - Indirect examples: controlling one or more intermediary entities that separately or collectively exercise substantial control; through arrangements or financial or business relationships with other individuals or entities acting as nominees.
- ▶ **Senior Officer:** President; Chief Financial Officer; General Counsel; Chief Executive Officer; Chief Operating Officer
 - Any officer, regardless of official title, who exercises similar authority of performs similar function
- ▶ **Important Decision-Maker:** Directs, determines, or has substantial influence over important decisions, including decisions regarding:
 - *Business* - nature, scope and attributes of the business; selection or termination of business lines or ventures or geographic scope; entry into or termination, or fulfillment/non-fulfillment of significant contracts
 - *Finances* - Sale, lease, mortgage, or other transfer of principal assets; major expenditures or investments, issuance of equity/stock, incurrence of debt, approval of operating budget; compensation schemes and incentive programs for senior officers
 - *Structure* - Reorganization, dissolution, merger; amendments of any substantial governance documents, including articles of incorporation, formation documents, bylaws and significant policies

Beneficial Owners

OWNERSHIP INTEREST

- ▶ Reporting companies are required to identify **all** individuals who own or control at least 25 percent (%) of the **ownership interests** of the company.
- ▶ Any of the following may be an ownership interest:
 - equity, stock, or voting rights;
 - a capital or profit interest;
 - convertible instruments;
 - options or other non-binding privileges to buy or sell any of the foregoing; and
 - any other instrument, contract, or other mechanism used to establish ownership (catch-all).
- ▶ A reporting company may have multiple types of ownership interests.
- ▶ Individuals may directly or indirectly own or control ownership interests - through contracts, arrangements, understandings, relationships, or otherwise.
 - Direct examples: joint ownership of an undivided interest is an ownership interest.
 - Indirect examples: owning or controlling one or more intermediary entities, or the ownership interests of any intermediary entities, that separately or collectively own or control ownership interests of a reporting company, through another individual acting as a nominee, intermediary, custodian or agent.
- ▶ **Equity, Stock or Voting Right:** any interest classified as stock or anything similar, regardless of whether it confers voting power/rights, even if interest is transferable
- ▶ **Capital or Profit Interest:** any interest in the assets or profits of a company organized as an LLC (which is similar to stock in a corporation) and sometimes referred to as a “unit”
- ▶ **Convertible Instruments:** any instrument convertible into *equity, stock or voting rights or capital or profit interest*
 - Does not require any cost or payment to exercise the conversion
 - Related items are also ownership interests: any future on any convertible instrument; any warrant or right to purchase, sell or subscribe to a share or interest in *equity, stock or voting rights or capital or profit interest* (even if such warrant/right is debt)
- ▶ **Option of Privilege:** any put, call, straddle, or other option or privilege of buying or selling *equity, stock or voting rights, capital or profit interest, or convertible instruments*
 - Except if the option or privilege is created and held by others without the knowledge or involvement of the company

Identifying Beneficial Owners

Substantial control question:	Answer	If response is "Yes":
1. Does your company have a president, chief financial officer, general counsel, chief executive officer, or chief operating officer?	<input type="checkbox"/> Yes <input type="checkbox"/> No	There are senior officers in your company.
2. Does your company have any other officers that perform functions similar to those of a President, chief financial officer, general counsel, chief executive officer, or chief operating officer? <i>Note: One individual may perform one or more functions for a company, or a company may not have an individual who performs any of these functions.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
3. Does your company have a board of directors or similar body AND does any individual have the ability to appoint or remove a majority of that board or body?	<input type="checkbox"/> Yes <input type="checkbox"/> No	There are individuals with appointment or removal authority over your company.
4. Does any individual have the ability to appoint or remove a senior officer of your company?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
5. Does any individual direct, determine, or have substantial influence over important decisions made by your company, including decisions regarding your company's business, finances, or structure? <i>Note: Certain employees who might fit this description are nevertheless exempt from the beneficial owner definition. See section 2.4 for more information.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	There are important decision-makers over your company.
6. Are there any other individuals who have substantial control over your company in ways other than those identified in 1-5 above?	<input type="checkbox"/> Yes <input type="checkbox"/> No	There are individuals to whom the catch-all would apply.

Ownership interest question:	Answer	If response is "Yes":
1. Does your company issue equity, stock, or any similar instruments that confer voting power?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Your company has ownership interests that are equity, stock, or voting rights .
2. Does your company issue any pre-organization certificates or subscriptions?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
3. Does your company issue any transferable shares of, or voting trust certificates or certificates of deposit for: • an equity security, • interest in a joint venture, or • certificate of interest in a business trust?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
4. Do individuals hold capital or profit interests in your company (sometimes referred to as "units")?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Your company has ownership interests that are capital or profit interests .
5. Does your company issue any instruments convertible into any share, equity, stock, voting rights, or capital or profit interest? <i>Note: It does not matter whether anything must be paid to exercise the conversion.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	Your company has ownership interests that are convertible instruments .
6. Does your company issue any future on any convertible instrument?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
7. Does your company issue any warrant or right to purchase, sell, or subscribe to a share or interest in equity, stock, or voting rights, or capital or profit interests? <i>Note: It does not matter if such warrant or right is a debt.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
8. Does your company issue any non-binding put, call, straddle, or other option or privilege of buying or selling equity, stock, or voting rights, capital or profit interest, or convertible instruments? <i>Note: Options or privileges created by others without the knowledge or involvement of your company do not apply.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	Your company has ownership interests that are options or privileges .
9. Does your company have any other instrument, contract, arrangement, understanding, relationship, or mechanism to establish ownership?	<input type="checkbox"/> Yes <input type="checkbox"/> No	The catch-all ownership interest applies to your company.

Exceptions from Beneficial Ownership

- ▶ There are five exceptions to the definition of beneficial owner.
 - The reporting company does not have to report that individual who qualifies for an exception as a beneficial owner in its BOI report.
- ▶ **Minor Child** (as defined under the law of the State or Indian tribe in which the domestic reporting company is created or the foreign reporting company is first registered)
 - The reporting company may instead report information about the parent or legal guardian of the minor child.
 - When the minor child reaches the age of majority, the individual should be identified on an updated BOI report (replacing parent/guardian, if required)
- ▶ **Nominee, intermediary, custodian, or agent** (acting on behalf of an actual beneficial owner)
- ▶ **Employee**
 - (1) Individual is an employee of the reporting company (i.e., at-will employee); (2) individual's substantial control over, or economic benefits from, the reporting company are derived solely from the employment status as an employee; and (3) individual is not a senior officer of the reporting company.
- ▶ **Inheritor**
 - The individual's only interest in the reporting company is a future interest through a right of inheritance, such as through a will providing a future interest in a company.
- ▶ **Creditor**
 - An individual who would meet the definition of a beneficial owner solely through rights or interests for the payment of a predetermined sum of money, such as a debt incurred by the reporting company, or a loan covenant or other similar right associated with such right to receive payment that is intended to secure the right to receive payment or enhance the likelihood of repayment.

Beneficial Owners

FREQUENTLY ASKED QUESTIONS

► ***Is my accountant or lawyer considered a beneficial owner?***

- Accountants and lawyers generally do not qualify as beneficial owners, but that may depend on the work being performed.
 - Accountants and lawyers who provide general accounting or legal services are not considered beneficial owners because ordinary, arms-length advisory or other third-party professional services to a reporting company are not considered to be “substantial control”. In addition, a lawyer or accountant who is designated as an agent of the reporting company may qualify for the “nominee, intermediary, custodian, or agent” exception from the beneficial owner definition.
 - However, an individual who holds the position of general counsel in a reporting company is a “senior officer” of that company and is therefore a beneficial owner.

► ***What information should a reporting company report about a beneficial owner who holds their ownership interests in the reporting company through multiple exempt entities?***

- If a beneficial owner owns or controls their ownership interests in a reporting company exclusively through multiple exempt entities, then the names of all of those exempt entities may be reported to FinCEN instead of the individual beneficial owner’s information.
 - Note that this special rule does not apply when an individual owns or controls ownership interests in a reporting company through both exempt and non-exempt entities. In that case, the reporting company must report the individual as a beneficial owner (if no exception applies), but the exempt companies do not need to be listed.

Beneficial Owners

FREQUENTLY ASKED QUESTIONS

► ***Is a member of a reporting company's board of directors always a beneficial owner of the reporting company?***

- No. A beneficial owner of a company is any individual who, directly or indirectly, exercises substantial control over a reporting company, or who owns or controls at least 25 percent of the ownership interests of a reporting company.
 - Whether a particular director meets any of these criteria is a question that the reporting company must consider on a director-by-director basis.

► **Who does a reporting company report as a beneficial owner if a corporate entity owns or controls 25 percent or more of the ownership interests of the reporting company?**

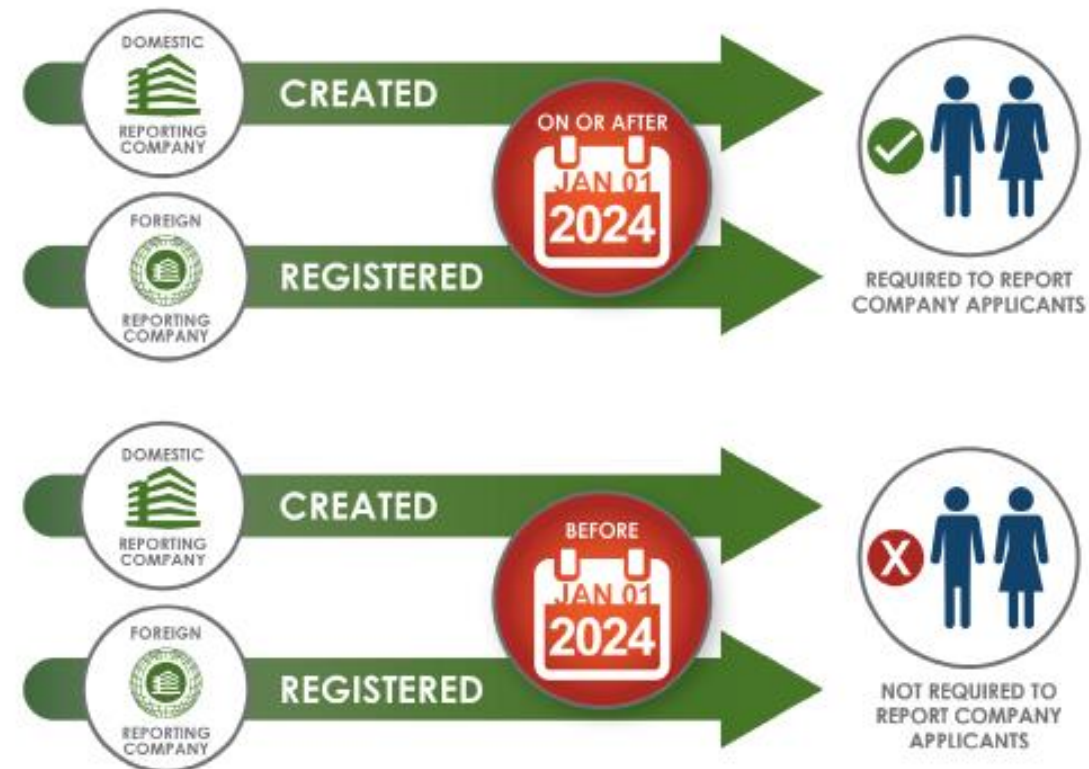
- Ordinarily, such a reporting company reports the individuals who indirectly either (1) exercise substantial control over the reporting company or (2) own or control at least 25 percent of the ownership interests in the reporting company through the corporate entity. It should not report the corporate entity that acts as an intermediate for the individuals.
- Two special rules create exceptions to this general rule in very specific circumstances:
 - 1. A reporting company may report the name(s) of an exempt entity or entities in lieu of an individual beneficial owner who owns or controls ownership interests in the reporting company entirely through ownership interests in the exempt entity or entities; or
 - 2. If the beneficial owners of the reporting company and the intermediate company are the same individuals, a reporting company may report the FinCEN identifier and full legal name of an intermediate company through which an individual is a beneficial owner of the reporting company.

Company Applicants

Does my company have to report its company applicants?

IS MY COMPANY REQUIRED TO REPORT ITS COMPANY APPLICANTS?

- ▶ Not all reporting companies are required to report their company applicants to FinCEN
- ▶ A reporting company **is required to report its company applicants** if it is either a:
 - domestic reporting company created **on or after January 1, 2024**; or
 - foreign reporting company first registered to do business in the United States **on or after January 1, 2024**
- ▶ A reporting company **is NOT required to report its company applicants** if it is either a:
 - domestic reporting company created **before January 1, 2024**; or
 - foreign reporting company first registered to do business in the United States **before January 1, 2024**



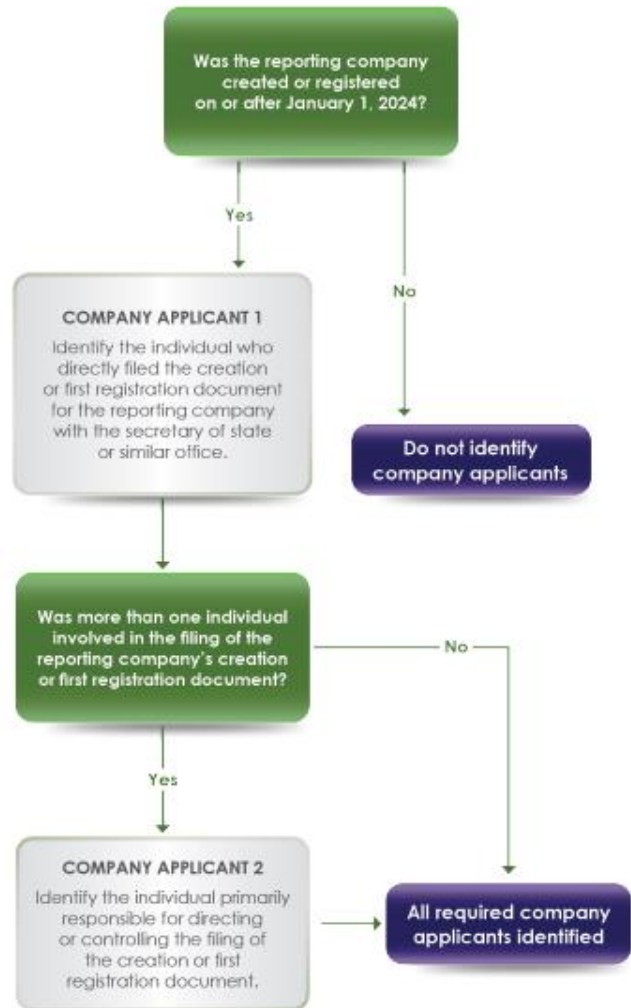
Does my company have to report its company applicants?

WHO IS A COMPANY APPLICANT OF MY COMPANY?

- ▶ Each reporting company that is required to report company applicants will have to identify and report to FinCEN **at least one company applicant**, and **at most two**. All company applicants **must be individuals**. Companies or legal entities **cannot** be company applicants.
- ▶ There are two categories of company applicants – the “**direct filer**” and the individual who “**directs or controls the filing action**”
 - The first category (**direct filer**) must be identified by all reporting companies that have a company applicant reporting requirement
 - The second category (**directs or controls the filing action**) may not be applicable to all reporting companies that have a company applicant reporting requirement. The second category of company applicants is only required to be reported when more than one individual is involved in the filing of the document that created or first registered the company
 - If more than one individual is involved in the filing, then two company applicants must be reported
 - No reporting company will have more than two company applicants
- ▶ **Company Applicant Category 1: Direct filer**
 - This is the individual who directly filed the document that created a domestic reporting company, or the individual who directly filed the document that first registered a foreign reporting company. This individual would **have actually physically or electronically filed the document with the secretary of state or similar office**
- ▶ **Company Applicant Category 2: Directs or controls the filing action**
 - The other possible company applicant is the individual who was **primarily responsible for directing or controlling the filing** of the creation or first registration document. This individual is a company applicant even though the individual did not actually file the document with the secretary of state or similar office

Does my company have to report its company applicants?

WHO IS A COMPANY APPLICANT OF MY COMPANY?



- ▶ **Example 1:** Individual A is creating a new company. Individual A prepares the necessary documents to create the company and files them with the relevant State or Tribal office, either in person or using a self-service online portal. No one else is involved in preparing, directing, or making the filing
 - Individual A is a company applicant because Individual A directly filed the document that created the company. Because Individual A is the only person involved in the filing, Individual A is the only company applicant. State or Tribal employees who receive and process the company creation or formation documents should not be reported as company applicants
- ▶ **Example 2:** Individual A is creating a company. Individual A prepares the necessary documents to create the company and directs Individual B to file the documents with the relevant State or Tribal office. Individual B then directly files the documents that create the company
 - Individuals A and B are both company applicants – Individual B directly filed the documents, and Individual A was **primarily responsible for directing or controlling the filing**. Individual B could, for example, be Individual A's spouse, business partner, attorney, or accountant; in all cases, Individuals A and B are both company applicants in this scenario

Company Applicants

FREQUENTLY ASKED QUESTIONS

► *Is my accountant or lawyer considered a company applicant?*

- An accountant or lawyer could be a company applicant, depending **on their role in filing the document that creates or registers a reporting company**. In many cases, company applicants may work for a business formation service or law firm
- An accountant or lawyer may be a company applicant if they directly filed the document that created or registered the reporting company. If more than one person is involved in the filing of the creation or registration document, an accountant or lawyer may be a company applicant if they are **primarily responsible for directing or controlling the filing**
- For example, an attorney at a law firm that offers business formation services may be primarily responsible for **overseeing** preparation and filing of a reporting company's incorporation documents. A paralegal at the law firm may **directly file** the incorporation documents at the attorney's request. Under those circumstances, **the attorney and the paralegal are both company applicants** for the reporting company

► *Can a company applicant be removed from a BOI report if the company applicant no longer has a relationship with the reporting company?*

- No. A company applicant may **NOT** be removed from a BOI report even if the company applicant no longer has a relationship with the reporting company
- A reporting company created on or after January 1, 2024, is required to report company applicant information in its initial BOI report, but is **not** required to file an updated BOI report if information about a company applicant changes

Company Applicants

FREQUENTLY ASKED QUESTIONS

- ▶ ***The company applicants of a reporting company include the individual “primarily responsible for directing the filing of the creation or registration document.” What makes an individual “primarily responsible” for directing such a filing?***
 - For the purposes of determining who is a company applicant, it is not relevant who signs the creation or registration document, for example, as an incorporator. To determine who is primarily responsible for directing or controlling the filing of the document, consider who is responsible for making the decisions about the filing of the document, such as how the filing is managed, what content the document includes, and when and where the filing occurs. The following three scenarios provide examples.

- ▶ ***If an individual used an automated incorporation service, such as through a website or online platform, to file the creation or registration document for a reporting company, who is the company applicant?***
 - If a business formation service only provides software, online tools, or generally applicable written guidance that are used to file a creation or registration document for a reporting company, and employees of the business service are not directly involved in the filing of the document, the employees of such services are not company applicants
 - For example, an individual may prepare and self-file documents to create the individual’s own reporting company through an automated incorporation service. In this case, this reporting company reports only that individual as a company applicant

Company Applicants

FREQUENTLY ASKED QUESTIONS

► ***Is a third-party courier or delivery service employee who only delivers documents that create or register a reporting company a company applicant?***

- No. A third-party courier or delivery service employee who **only** delivers documents to a secretary of state or similar office is not a company applicant provided they meet one condition: the third-party courier, the delivery service employee, and any delivery service that employs them **does not play any other role in the creation or registration of the reporting company**
 - When a third-party courier or delivery service employee is used solely for delivery, the individual (e.g., at a business formation service or law firm) who requested the third-party courier or delivery service to deliver the document will typically be a company applicant
 - Under FinCEN’s regulations, an individual who “directly files the document” that creates or registers the reporting company is a company applicant. Third-party couriers or delivery service employees who deliver such documents facilitate the documents’ filing, but FinCEN does not consider them to be the filers of the documents **given their only connection to the creation or registration of the reporting company is couriating the documents**. Rather, when a third-party courier or delivery service is used by a firm, the company applicant who “directly files” the creation or registration document is the individual at the firm who requests that the third-party courier or delivery service deliver the documents
- In contrast, if a courier is employed by a business formation service, law firm, or other entity that **plays a role in the creation or registration of the reporting company**, such as **drafting the relevant documents or compiling information to be submitted as part of the documents delivered**, the conclusion is different. FinCEN considers such a courier to have directly filed the documents—and thus to be a company applicant—given the courier’s greater connection (via the courier’s employer) to the creation or registration of the company
 - For example, a mailroom employee at a law firm may physically deliver the document that creates a reporting company at the direction of an attorney at the law firm who is primarily responsible for decisions related to the filing. Both individuals are company applicants

FinCEN Identifiers

What is a FinCEN identifier and how can I use it?

► What is a “FinCEN identifier”?

- A “FinCEN identifier” is a unique identifying number that FinCEN will issue to an individual or reporting company upon request after the individual or reporting company provides certain information to FinCEN
 - An individual or reporting company is not required to obtain a FinCEN identifier
 - An individual or reporting company may only receive **one** FinCEN identifier
 - Your company may include FinCEN identifiers in its BOI report instead of certain required information about beneficial owners or company applicants
- A FinCEN ID is a 12-digit number. FinCEN IDs for individuals start with 3, and FinCEN IDs for entities start with 2. Example: 300000000000

► What does a FinCEN ID do?

- An individual’s FinCEN ID can be reported instead of certain other required information on a BOI Report (“BOIR”) submitted to FinCEN. If you have a FinCEN ID, for example, that FinCEN ID can be submitted on a BOIR instead of your name, date of birth, address, and unique identifying document number, jurisdiction, and image. This will make it easier to file BOIRs

What is a FinCEN identifier and how can I use it?

▶ FinCEN Identifiers for Individuals

- Individuals may electronically apply for FinCEN identifiers. In the application, an individual must provide their name, date of birth, address, unique identifying number and issuing jurisdiction from an acceptable identification document, and an image of the identification document – the same four pieces of personal information and image reporting companies submit about beneficial owners and company applicants in BOI reports. After an individual submits an application, the individual will immediately receive a FinCEN identifier unique to that individual
- Once a beneficial owner or company applicant has obtained a FinCEN identifier, reporting companies may report it in place of the otherwise required four pieces of personal information about the individual in BOI reports

▶ FinCEN Identifiers for Reporting Companies

- Your company may request a FinCEN identifier when it submits a BOI report by checking a box on the reporting form

▶ Updates or Corrections

- When the information an individual or reporting company reported to FinCEN to obtain a FinCEN identifier changes, or when the individual or reporting company discovers that reported information is inaccurate, the individual or reporting company **must** update or correct the reported information, as applicable. See the following sections for more information on the update and correction requirements, including timelines

What is a FinCEN identifier and how can I use it?

FREQUENTLY ASKED QUESTIONS

► ***Are FinCEN identifiers required?***

- No. An individual or reporting company is **NOT** required to obtain a FinCEN identifier

► ***How can I use a FinCEN identifier?***

- When an individual who is a beneficial owner or company applicant has obtained a FinCEN identifier, reporting companies may report the FinCEN identifier of that individual in the place of that individual's otherwise required personal information on a beneficial ownership information report
- The use of FinCEN identifiers obtained by reporting companies is the subject of ongoing rulemaking. FinCEN anticipates providing additional guidance when that rulemaking is finalized

► ***How do I request a FinCEN identifier?***

- Individuals will be able to request a FinCEN identifier on or after January 1, 2024, by completing an electronic web form.
 - Individuals will need to provide their full legal name, date of birth, address, unique identifying number and issuing jurisdiction from an acceptable identification document, and an image of the identification document. After an individual submits this information, the individual will immediately receive a FinCEN identifier unique to that individual
- Reporting companies may request a FinCEN identifier by checking a box on the BOIR when they submit the report.
 - After the reporting company submits the report, the reporting company will immediately receive a FinCEN identifier unique to that company. If a reporting company wishes to request a FinCEN identifier after submitting its initial BOIR, it may submit an updated BOIR requesting a FinCEN identifier, even if the company does not otherwise need to update its information

What is a FinCEN identifier and how can I use it?

FREQUENTLY ASKED QUESTIONS

► *Do I need to update or correct the information I submitted to obtain a FinCEN identifier?*

- Yes. Individuals must update or correct information through the FinCEN identifier application that is also used to request a FinCEN identifier
 - Individuals must report **any change to the information** they submitted to obtain a FinCEN identifier **no later than 30 days** after the date on which the change occurred
 - If there is **any inaccuracy** in this information, an individual must correct the information **no later than 30 days** after the date the individual became aware of the inaccuracy or had reason to know of it
- Reporting companies with a FinCEN identifier must update or correct the company's information by filing an updated or corrected beneficial ownership information report, as appropriate

► *Is there any way to deactivate an individual's FinCEN identifier that is no longer in use so that the individual no longer has to update the information associated with it?*

- FinCEN is actively assessing options to allow individuals to deactivate a FinCEN identifier so that they do not need to update the underlying personal information on an ongoing basis. FinCEN will provide additional guidance on this functionality upon completion of that process

► *Who can request a FinCEN identifier on behalf of an individual?*

- Anyone authorized to act on behalf of an individual may request a FinCEN identifier on the individual's behalf on or after January 1, 2024
- FinCEN identifiers for individuals are provided upon request after the requesting party has submitted the necessary information. Obtaining a FinCEN identifier for an individual requires the requesting party to create a Login.gov account, which is tied to the individual receiving the FinCEN identifier. Individuals who receive a FinCEN identifier should ensure their login credentials, including email address and related multi-factor information associated with their Login.gov account, are saved for future reference

Filing BOI Reports

When to File the BOI Report

► Initial Reports

- Existing Reporting Companies
 - Created or registered to do business in the US before January 1, 2024
 - BOI report due: by **January 1, 2025**
- New Reporting Companies
 - Created or registered to do business in the US after January 1, 2024 (but before January 1, 2025)
 - BOI report due: within **90 calendar days** after receiving actual or public notice that company's creation or registration is effective
 - Created or registered to do business in the US after January 1, 2025
 - BOI report due: within **30 calendar days** after receiving actual or public notice that company's creation or registration is effective
- Previously Exempt Reporting Companies
 - BOI report due: within **30 calendar days** of no longer qualifying for an exemption

► Updated and Corrected Reports

- **Any change** or **correction** to the required information about the company or its beneficial owners in a BOI report that your company filed
 - must file an updated BOI report no later than **30 days** after the date on which the change occurred or became aware of correction
- Examples of changes requiring an updated BOI report:
 - Any change to the information reported for the reporting company, such as registering a new D/B/A.
 - A change in beneficial owners, such as a new Chief Executive Officer, a sale that changes who meets the ownership interest threshold of 25 percent, or the death of a beneficial owner.
 - Any change to a beneficial owner's name, address, or unique identifying number provided in a BOI report.
 - If a beneficial owner obtains a new ID (Driver's License, Passport) that includes the changed name, address, or identifying number, the reporting company is required to file an updated BOI report (including an image of the new identifying document)

How do I report my company's beneficial ownership information?

INFORMATION TO KNOW BEFORE FILING A REPORT

- ▶ Filing the report is **free** through the FinCEN website
- ▶ Access the form by going to FinCEN's BOI E-Filing website (<https://boiefiling.fincen.gov>) and select "**File BOIR.**"
- ▶ There is **no annual reporting requirement.**
- ▶ Reporting companies must file an **initial BOI report** and **updated or corrected BOI reports** as needed.

How to report my company's beneficial ownership information

WHAT INFORMATION IS REQUIRED TO REPORT?

► *Information about the reporting company*

- Legal name;
- Any trade names, “doing business as” (d/b/a), or “trading as” (t/a) names;
- The current street address of its principal place of business if that address is in the United States (for example, a U.S. reporting company's headquarters), or, for reporting companies whose principal place of business is outside the United States, the current address from which the company conducts business in the United States (for example, a foreign reporting company's U.S. headquarters);
 - Must report a street address and cannot report a P.O. box
- jurisdiction of formation or registration;
- Taxpayer Identification Number (or, if a foreign reporting company has not been issued a TIN, a tax identification number issued by a foreign jurisdiction and the name of the jurisdiction); and
- Indicate whether it is filing an initial report, or a correction or an update of a prior report.

► *Information about the company applicant (if applicable) and the beneficial owners*

- Individual's name;
- Date of birth;
- Address; and
 - For Company Applicants: Indicate address type as “Business address” or “Residential address” for the company applicant. For a company applicant who forms or registers an entity in the course of their business, such as paralegals, report the street address of such business. In any other case, the individual's residential street address must be reported.
 - For Beneficial Owners: Must list the beneficial owner's residential address.
- An identifying number from an acceptable identification document such as a passport or U.S. driver's license, and the name of the issuing state or jurisdiction of identification document and provide an image of the document. The only acceptable forms of ID are:
 - Non-expired U.S. driver's license (including any driver's licenses issued by a commonwealth, territory, or possession of the United States);
 - Non-expired identification document issued by a U.S. state or local government, or Indian Tribe;
 - Non-expired passport issued by the U.S. government; or
 - Only when an individual **does not have** one of the other three forms of identification listed above: non-expired passport issued by a foreign government.

BOI Reporting

FREQUENTLY ASKED QUESTIONS

► ***Can a reporting company report a P.O. box as its current address?***

- No. The reporting company address must be a U.S. street address and cannot be a P.O. box.

► ***Have I met FinCEN's BOI reporting obligation if I filed a form or report that provides beneficial ownership information to a state office, a financial institution, or the IRS?***

- No. Reporting companies must report beneficial ownership information directly to FinCEN. Congress enacted a law, the Corporate Transparency Act, that requires the reporting of beneficial ownership information directly to FinCEN.
 - State or local governments, financial institutions, and other federal agencies, such as the IRS, may separately require entities to report certain beneficial ownership information. However, by law, those requirements are not a substitute for reporting beneficial ownership information to FinCEN.

► ***If a beneficial owner or company applicant's acceptable identification document does not include a photograph for religious reasons, will FinCEN accept the identification document without the photograph?***

- Yes. If a beneficial owner or company applicant's identification document does not include a photograph for religious reasons, the reporting company may nonetheless submit an image of that identification document when submitting its report, as long as the identification document is one of the types of identification accepted by FinCEN, such as a non-expired State-issued identification document.

► ***Can a parent company file a single BOI report on behalf of its group of companies?***

- No. Any company that meets the definition of a reporting company and is not exempt is required to file its own BOI report.

Filing BOI Reports – Step-by-Step Instructions

How to Report Beneficial Ownership Information (BOI) – Step-by-Step Instructions

ACCESS FINCEN BOI REPORTING ONLINE

The screenshot shows the homepage of the Financial Crimes Enforcement Network (FinCEN) BOI E-Filing System. At the top left is the FinCEN logo and the text "FINANCIAL CRIMES ENFORCEMENT NETWORK". Below this is a dark blue navigation bar with the links "BOI E-FILING", "FILE BOIR", and "HELP". The main content area is divided into several sections. On the left, a large white box with a blue border contains the heading "Welcome to the BOI E-Filing System" and a paragraph explaining the system's purpose. Below this are two blue buttons: "File BOIR" with an icon of a house and a person, and "Help" with a "QA" icon. On the right, there are two white boxes with blue borders. The top one is for "Beneficial Ownership Information (BOI) Reporting" and includes a "GET STARTED" button. The bottom one is for "Bank Secrecy Act (BSA) Reporting" and includes a "BSA E-FILING" button. At the bottom right, there is a "News & Announcements" section with a date "Jan 04 2024" and a link to the Help section.

► Below are the steps a user will take to submit a BOI report

1. Go to FinCEN’s BOI E-Filing website (<https://boiefiling.fincen.gov>)
2. Locate the BOI E-Filing option
3. Click the **Get Started** button

How to Report Beneficial Ownership Information (BOI) – Step-by-Step Instructions

ACCESS ONLINE BOI REPORT SUBMISSION

File the Beneficial Ownership Information Report (BOIR)

Select the filing method that works best for you:



File PDF BOIR

- Adobe Reader is required
- Prepare report offline at your own pace, save as you go
- Reuse PDF BOIR when filing updates/corrections
- Download BOIR transcript upon submission

Prepare BOIR

Submit BOIR



File Online BOIR

- Adobe Reader NOT required
- Prepare report online and submit now
- Prepare new Online BOIR when filing updates/corrections
- Download BOIR transcript upon submission

Prepare & Submit BOIR

FinCEN also offers system-to-system BOIR transmission via secure Application Programming Interface (API) for those, including third-party service providers, who are interested in automating the BOIR filing process:



System-to-System API

If you are interested in this method of filing, select the button below to contact FinCEN and one of our representatives will reach out.

Contact FinCEN for API Information

► Below are the steps a user will take to submit a BOI report

4. Locate **File Online BOIR** option
5. Click the **Prepare & Submit BOIR** button

How to Report Beneficial Ownership Information (BOI) – Step-by-Step Instructions

SPECIFY REASON FOR REPORT

Beneficial Ownership Information Report (BOIR)

OMB No. 1506-0076

Complete the report in its entirety with all required information. Fields marked with an asterisk (*) symbol are the fields that, at a minimum, must be completed by all companies to file the report. Reporting companies, however, must include all information 31 CFR 1010.380(b) requires them to provide, regardless of whether a field is marked with an asterisk (*) symbol. These information requirements are summarized above under HELP.

Filing Information | Reporting Company | Company Applicant(s) | Beneficial Owner(s) | Submit

Filing Information

Need help?

*1. Type of filing:

a. Initial report

b. Correct prior report

c. Update prior report

d. Newly exempt entity

2. Date prepared (auto-filled)

02/06/2024

Previous | Next

► Below are the steps a user will take to submit a BOI report

6. Select whether you are submitting an **Initial Report**, **Correcting a Prior Report**, **Updating a Prior Report**, or have become a **Newly Exempt Entity**
7. Insert the **Date Prepared** (the day you are filling out the report)

How to Report Beneficial Ownership Information (BOI) – Step-by-Step Instructions

SPECIFY REASON FOR REPORT

Part I. Reporting Company Information

ⓘ Need help? ▾

3. Request to receive FinCEN ID

4. Foreign pooled investment vehicle

Legal name and alternate name(s)

ⓘ Need help? ▾

*5. Reporting Company legal name

6. Alternate name (e.g. trade name, DBA)

Add Alternate Name

► Below are the steps a user will take to submit a BOI report

8. Report company's **Legal Name**
9. Report all **alternate names**, including **Trade Name, DBA**, etc.

How to Report Beneficial Ownership Information (BOI) – Step-by-Step Instructions

COMPANY IDENTIFICATION

Below are the steps a user will take to submit a BOI report

10. Select the **type of company ID** you will use and provide

The image shows a screenshot of a web form titled "Form of identification". At the top left, there is a "Need help?" link with a question mark icon. Below this, there are three main input fields:

- *7. Tax Identification type: A dropdown menu with the placeholder text "Select an ID type". A blue arrow points from this dropdown to a callout box.
- *8. Tax Identification number: A text input field.
- 9. Country/Jurisdiction (if foreign tax ID only): A dropdown menu with the placeholder text "Select a country".

The callout box, titled "*7. Tax Identification type", shows the dropdown menu expanded with the following options:

- Select an ID type
- EIN
- SSN/ITIN
- Foreign

How to Report Beneficial Ownership Information (BOI) – Step-by-Step Instructions

COUNTRY/JURISDICTION OF FORMATION

Below are the steps a user will take to submit a BOI report

11. Select **Country/Jurisdiction** of formation

Jurisdiction of formation or first registration

[Need help?](#)

*10. a. Country/Jurisdiction of formation

Select a country

Domestic Entity

Foreign Entity

Domestic Reporting Company

b. State of formation

Select a state

c. Tribal jurisdiction of formation

Select a local/tribal

d. Name of the other Tribe

Foreign Reporting Company

e. State of first registration

Select a state

f. Tribal jurisdiction of first registration

Select a local/tribal

g. Name of the other Tribe

How to Report Beneficial Ownership Information (BOI) – Step-by-Step Instructions

COMPANY'S U.S. ADDRESS INFORMATION

► Below are the steps a user will take to submit a BOI report

12. Report company's **Domestic U.S. Address**

Current U.S. address

ⓘ Need help? ▾

*11. Address (number, street, and apt. or suite no.)

*12. City

*13. U.S. or U.S. Territory ▾

*14. State ▾

*15. ZIP code

[Previous](#) [Next](#)

How to Report Beneficial Ownership Information (BOI) – Step-by-Step Instructions

COMPANY APPLICANT(S) INFORMATION – FINCEN ID

Part II. Company Applicant Information

Add Company Applicant

Need help?

Company Applicant #1

Company applicant FinCEN ID

Need help?

18. FinCEN ID

► Below are the steps a user will take to submit a BOI report

13. If required to report the company applicant(s), you can provide a company applicant's **FinCEN ID** if available

How to Report Beneficial Ownership Information (BOI) – Step-by-Step Instructions

COMPANY APPLICANT(S) INFORMATION – NAME & ADDRESS

Legal name and date of birth


[Need help?](#)

*19. Individual's last name

*20. First name

21. Middle name

22. Suffix

*23. Date of birth 


Current address


[Need help?](#)

*24. Address type
 Business Address Residential Address

*25. Address (number, street, and apt. or suite no.)

*26. City

*27. Country/Jurisdiction 

*28. State 

*29. ZIP/Foreign postal code

► Below are the steps a user will take to submit a BOI report

14. Provide the company applicant's **Legal Name** and **Date of Birth**
15. Provide company applicant's **Current Address** (can be a foreign address)
 - Indicate address type as “Business address” or “Residential address” for the company applicant. For a company applicant who forms or registers an entity in the course of their business, such as paralegals, report the street address of such business. In any other case, the individual's residential street address must be reported.

How to Report Beneficial Ownership Information (BOI) – Step-by-Step Instructions

COMPANY APPLICANT(S) IDENTIFICATION

► Below are the steps a user will take to submit a BOI report

16. Select company applicant's **ID type**.
17. Provide ID information in Items #31 and #32.
18. Upload **image** of company applicant's ID.

Form of identification and issuing jurisdiction

🔔 Need help? ▾

*30. Identifying document type
Select an ID type ▾

*31. Identifying document number
[Text input field]

*32. Identifying document issuing jurisdiction

a. Country/Jurisdiction
Select a country/jurisdiction ▾

b. State
Select a state ▾

c. Local/Tribal
Select a local/tribal ▾

d. Other local/Tribal description
[Text input field]

*33. Identifying document image
Drag file here or [choose from folder](#)

Previous Next

*30. Identifying document type

Select an ID type ▾

- State issued driver's license
- State/local/tribe-issued ID
- U.S. passport
- Foreign passport

How to Report Beneficial Ownership Information (BOI) – Step-by-Step Instructions

BENEFICIAL OWNER INFORMATION

The screenshot shows a web form titled "Part III. Beneficial Owner Information" with a blue "Add Beneficial Owner" button in the top right corner. The form is organized into sections:

- Beneficial Owner #1**: This section is expanded and contains:
 - A "Need help?" dropdown menu.
 - Field 35: "35. Parent/Guardian information instead of minor child" with a checkbox and a note: "(check if the Beneficial Owner is a minor child and the parent/guardian information is provided instead)".
 - Beneficial Owner FinCEN ID**: This section is collapsed and contains:
 - A "Need help?" dropdown menu.
 - Field 36: "36. FinCEN ID" with an empty text input box.
 - Exempt entity**: This section is collapsed and contains:
 - A "Need help?" dropdown menu.
 - Field 37: "37. Exempt entity" with a checkbox.

► Below are the steps a user will take to submit a BOI report

19. If the beneficial owner for the reporting company is a minor child, you may check box #35 and complete Part III with information about a parent or legal guardian of the minor child.
20. If available, reporting companies may provide a FinCEN Identifier for a beneficial owner instead of Items #37 through #51.
21. Check Box #37 if the beneficial owner holds its ownership interest in the reporting company exclusively through one or more exempt entities, and the name of that exempt entity or entities are being reported in lieu of the beneficial owner's information. If checked, provide the legal name of the exempt entity in Field 38.

How to Report Beneficial Ownership Information (BOI) – Step-by-Step Instructions

BENEFICIAL OWNER NAME & ADDRESS

Legal name and date of birth


[Need help?](#)

*38. Individual's last name or entity's legal name

*39. First name

40. Middle name

41. Suffix


*42. Date of birth 


Residential address

[Need help?](#)

*43. Address (number, street, and apt. or suite no.)

*44. City

*45. Country/Jurisdiction 

*46. State 

*47. ZIP/Foreign postal code

► Below are the steps a user will take to submit a BOI report

22. Provide beneficial owner's **Legal Name** and **Date of Birth**
23. Provide beneficial owner's **Residential Address** (can be a foreign address)

How to Report Beneficial Ownership Information (BOI) – Step-by-Step Instructions

BENEFICIAL OWNER IDENTIFICATION

Form of identification and issuing jurisdiction

🔔 Need help? ▾

*48. Identifying document type ▾

*49. Identifying document number

*50. Identifying document issuing jurisdiction

a. Country/Jurisdiction ▾

b. State ▾

c. Local/Tribal ▾

d. Other local/Tribal description

*51. Identifying document image

Drag file here or [choose from folder](#)

Previous Next

*48. Identifying document type

Select an ID type ▾

- State issued driver's license
- State/local/tribe-issued ID
- U.S. passport
- Foreign passport

► Below are the steps a user will take to submit a BOI report

24. Select beneficial owner's **ID type**.
25. Provide ID information in Items #49 and #50.
26. Upload **image** of beneficial owner's ID.

How to Report Beneficial Ownership Information (BOI) – Step-by-Step Instructions

SUBMIT

Complete all fields below before submitting. Directly after submission, a processing page will be displayed, followed by a page confirming the status of your report. This confirmation page will also give you an opportunity to download a transcript of your report.

*Email

*Confirm Email


*First Name

*Last Name

*I certify that I am authorized to file this BOIR on behalf of the reporting company. I further certify, on behalf of the reporting company, that the information contained in this BOIR is true, correct, and complete.

I agree

COMPLIANCE REMINDER: The willful failure to report complete beneficial ownership information to FinCEN, the willful failure to update beneficial ownership information provided to FinCEN when previously reported information changes, or the willful provision of false or fraudulent beneficial ownership information to FinCEN, may result in civil or criminal penalties. A person may also be subject to civil or criminal penalties for willfully causing a reporting company to report incomplete or false beneficial ownership information to FinCEN.

I am human  hCaptcha
Privacy - Terms

Submit BOIR

► Below are the steps a user will take to submit a BOI report

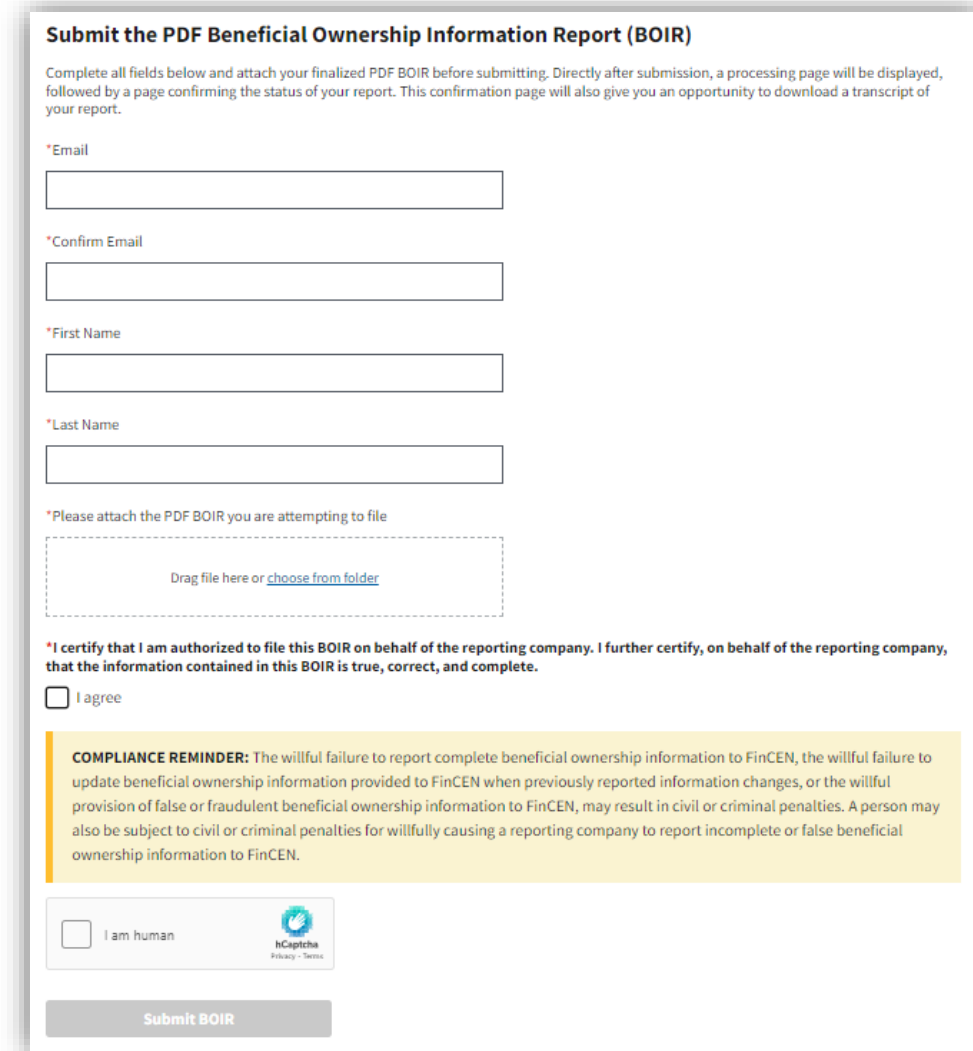
27. Provide email and name of company applicant.
28. Check certification box.
29. Click the **Submit BOIR** button

How do I report my company's beneficial ownership information?

NOTE ON SUBMITTING ONLINE AS A PDF



The screenshot shows the top of the FinCEN website. At the top left is the FinCEN logo. To its right, the text reads "FINANCIAL CRIMES ENFORCEMENT NETWORK". Below this is a dark blue navigation bar with "BOI E-FILING", "FILE BOIR", and "HELP" in white text. The main heading is "File the Beneficial Ownership Information Report (BOIR)". Below the heading is the instruction "Select the filing method that works best for you:". There are two main options: "File PDF BOIR" and "File Online BOIR". The "File PDF BOIR" option is highlighted with a blue border. It includes a PDF icon, a list of instructions (Adobe Reader required, prepare offline, reuse PDF, download transcript), and two buttons: "Prepare BOIR" and "Submit BOIR". The "File Online BOIR" option includes a globe icon, a list of instructions (Adobe Reader NOT required, prepare online, prepare new BOIR, download transcript), and a "Prepare & Submit BOIR" button.

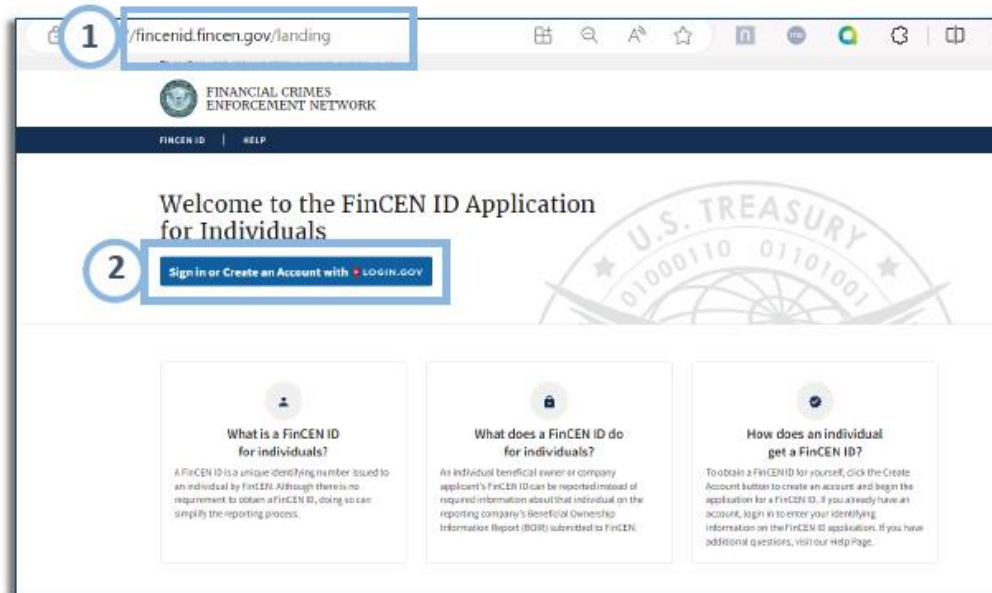


The screenshot shows the "Submit the PDF Beneficial Ownership Information Report (BOIR)" form. At the top, it says "Submit the PDF Beneficial Ownership Information Report (BOIR)". Below this is a paragraph of instructions: "Complete all fields below and attach your finalized PDF BOIR before submitting. Directly after submission, a processing page will be displayed, followed by a page confirming the status of your report. This confirmation page will also give you an opportunity to download a transcript of your report." The form contains several input fields: "*Email", "*Confirm Email", "*First Name", and "*Last Name". Below these is a dashed box for file upload with the text "Please attach the PDF BOIR you are attempting to file" and "Drag file here or [choose from folder](#)". A certification statement follows: "*I certify that I am authorized to file this BOIR on behalf of the reporting company. I further certify, on behalf of the reporting company, that the information contained in this BOIR is true, correct, and complete." Below this is a checkbox labeled "I agree". A yellow banner contains a "COMPLIANCE REMINDER": "The willful failure to report complete beneficial ownership information to FinCEN, the willful failure to update beneficial ownership information provided to FinCEN when previously reported information changes, or the willful provision of false or fraudulent beneficial ownership information to FinCEN, may result in civil or criminal penalties. A person may also be subject to civil or criminal penalties for willfully causing a reporting company to report incomplete or false beneficial ownership information to FinCEN." At the bottom, there is a checkbox labeled "I am human" next to a hCaptcha logo, and a "Submit BOIR" button.

Obtaining a FinCEN Identifier – Step-by-Step Instructions

How to Complete a FinCEN ID Application – Step-by-Step Instructions

ACCESS FINCEN ID APPLICATION



► Below are the steps a user will take to create a FinCEN ID

1. Go to <https://fincenid.fincen.gov>
2. Click the **Sign in** or **Create Account** button
3. Click the **LOGIN. GOV** button

How to Complete a FinCEN ID Application – Step-by-Step Instructions

LOG INTO FINCEN ID SITE

The screenshot shows the LOGIN.GOV sign-in interface. At the top, there is a header with the LOGIN.GOV logo. Below the header, there are two buttons: "Sign in" (highlighted in blue) and "Create an account". Underneath these buttons is the heading "Sign in for existing users". A blue box labeled "4" highlights the "Email address" and "Password" input fields, along with a "Show password" checkbox. Below this, another blue box labeled "5" highlights the "Sign in" button. At the bottom of the page, there are links for "Sign in with your government employee ID", "Forgot your password?", "Security Practices and Privacy Act Statement", and "Privacy Act Statement".

► Below are the steps a user will take to create a FinCEN ID

4. Enter your Login.gov credentials. To create a login.gov account, select the **Create an account** button
5. Click the **Sign in** button

How to Complete a FinCEN ID Application – Step-by-Step Instructions

COMPLETE LEGAL NAME, DOB, ADDRESS

6

FinCEN Identifier (FinCEN ID) Application
FinCEN Form ### OMB No. 0000-0000

*Fields marked with a red asterisk must be completed to submit this form

Full legal name and date of birth

[Need help?](#)

* First name Middle name * Last name Suffix * Date of birth

mm / dd / yyyy

Address

[Need help?](#)

► Below are the steps a user will take to create a FinCEN ID

6. Enter your information in the First Name, Middle Name (if applicable), Last Name, Suffix (if applicable) and Date of Birth Fields
 - **FinCEN ID Item 1: * First name**
 - Instructions for Item 1 – First name: Enter the individual’s legal first name
 - **FinCEN ID Item 2: Middle name**
 - Instructions for Item 2 – Middle name: Enter the individual’s middle name if the individual’s legal name has a middle name. Leave this item blank if the individual does not have a middle name
 - **FinCEN ID Item 3: * Last name**
 - Instructions for Item 3 – Last name: Enter the individual’s legal last name
 - **FinCEN ID Item 4: Suffix**
 - Instructions for Item 4 – Suffix: Enter the individual’s suffix such as JR, SR, III, etc., if the individual has a suffix to their legal name. Leave this item blank if the individual’s legal name does not include a suffix
 - **FinCEN ID Item 5: * Date of birth**
 - Instructions for Item 5 – Date of birth: Enter the individual’s date of birth using the format MM/DD/YYYY where MM = month, DD = day, and YYYY = year

How to Complete a FinCEN ID Application – Step-by-Step Instructions

COMPLETE LEGAL NAME, DOB, ADDRESS

The screenshot shows a form with three numbered callouts:

- 7**: Points to the "Address type" section, which includes two radio buttons: "Residential address" (selected) and "Business address".
- 8**: Points to a row of four input fields: "Address (number, street, and apt. or suite no.)", "City", "Country/Jurisdiction" (a dropdown menu), and "Zip/Foreign postal code".
- 9**: Points to two buttons at the bottom: "+ Add address" and "- Remove address".

► Below are the steps a user will take to create a FinCEN ID

7. Select Address Type: Residential address or Business Address (If you are a company applicant because you form or register entities in the course of your business, report the street address of such business. Otherwise, report your residential address)
 - **FinCEN ID Item 6: * Address type (select checkbox 6a or 6b):** a. Residential address; b. Business address
 - Instructions for Item 6 – Address type: Indicate address type as “Residential address” or “Business address” for the individual. For a company applicant who forms or registers an entity in the course of their business, such as paralegals, report the street address of such business. In any other case, the individual’s residential street address must be reported. Multiple addresses may be provided
8. Enter address related to the selected address type
9. Click the **+ Add address** button to add additional addresses or the **– Remove address** button to remove previously added address
 - **FinCEN ID Item 7-11: * Address (number, street, and apt. or suite no.), * City, * Country/Jurisdiction, * State and * ZIP/Foreign postal code**
 - Instructions for Item 7-11 – Individual address: Enter the individual’s street address information, including the city, country or jurisdiction, State, and ZIP code or foreign postal code. U.S. Territories are included in the drop-down menu for “Country/Jurisdiction.” Item 10 “State” is required if the country selected in item 9 is the United States, Canada, or Mexico

How to Complete a FinCEN ID Application – Step-by-Step Instructions

IDENTIFICATION

Form of identification and issuing jurisdiction

[Need help?](#)

State-issued driver's license State/local/Tribe-issued ID U.S. passport Foreign passport

* Identifying document number

* Country/Jurisdiction

* State

* Identifying document image
Accepted file types: JPG/JPEG, PNG, and PDF

Drag file here or [choose from folder](#)

- The image must be a complete, clear, and readable image of the page or side of the identifying document containing the unique identifying number, and other identifying data. One file must be attached. Supported formats are JPG/JPEG, PNG, and PDF
- Maximum file size: 4MB

Certification

* I certify that the information furnished is true, correct, and complete.

COMPLIANCE REMINDER: The willful provision of false or fraudulent beneficial ownership information to FinCEN may result in civil or criminal penalties.

I agree

Submit

► Below are the steps a user will take to create a FinCEN ID

10. Select the identifying document type: State-issued driver's license, State/local/Tribe issued ID, U.S. Passport or foreign passport

- **FinCEN ID Item 12: Form of identification and issuing jurisdiction:**
- Instructions for Item 12 – Identifying document type: Select the individual's identifying document type from the list of acceptable documents: a non-expired State-issued driver's license, a non-expired State/local/Tribe-issued identification document issued for the purpose of identifying the individual, a non-expired U.S. passport, or only if the individual does not have one of these identifying documents, a non-expired foreign passport

11. Complete required identifying document information

12. Locate and select the image of your identifying document

- **FinCEN ID Item 15: * Identifying document image**
- Instructions for Items 15 – Identifying document image: Drag a file or click "choose from folder" to attach a clear, readable image of the page or side of the identifying document referenced in item 15 containing the unique identifying number and other identifying data. You can change the attached image, if necessary, by selecting "change file." An attachment to a FinCEN ID application submission cannot be larger than four (4) megabytes of data and must be in one of the following formats: JPG/JPEG, PNG, or PDF

13. Review required certification and select **I agree**


14. Click the **Submit** button

How to Complete a FinCEN ID Application – Step-by-Step Instructions


CERTIFICATION

FINCEN ID | HELP | LOG OUT

✓ **Congratulations!**
Your FinCEN ID was successfully created.

FinCEN ID
3500-0000-0006  **15**

[Correct prior report](#) [Update prior report](#)

 [Need help?](#)

Submission Receipt **16** [Download](#)

Filing Information
FinCEN ID 3500-0000-0006
Full legal name and date of birth

► Below are the steps a user will take to create a FinCEN ID

15. You will receive a submission receipt and the unique FinCEN ID. Take note of the FinCEN ID. Click the **copy** button if you wish to copy the FinCEN ID and paste into another document
16. Click the **download** link to save the PDF submission receipt

How to Complete a FinCEN ID Application

ADDITIONAL TIPS

► Recommendations for Successful Filings: Complete Filings

- FinCEN ID application submissions must be complete before they can be filed with FinCEN. FinCEN will not accept a FinCEN ID application submission if any items marked with a red asterisk (*) are blank
- NOTE: Filers must provide information in EVERY field marked with the * symbol in ALL CIRCUMSTANCES. Filers must also provide information in all fields not marked with the * symbol that are applicable to the filer. For example, the “Middle Name” field is not marked with a * symbol; the filer MUST provide information in that field IF the relevant individual’s legal name includes a middle name

► Names of Individuals

- Enter the individual’s full last name, first name, and middle name as it is shown on a valid government identification document.
- **Multiple Last Names:** If an individual’s name consists of a first name and multiple last names the multiple last name elements would be entered in the last name field and the first name entered in the first name field. For example, if an individual’s name is Juan (first name) Vega (first last name) Santiago (second last name), “VEGA SANTIAGO” would be entered in the last name field and “JUAN” would be entered in the first name field. If an individual’s name typically is written with the family name first, that family name should be entered in the last name field
- **No Middle Name:** If an individual’s full legal name does not include a middle name, the middle name field should be left blank. If an individual’s full legal name does include a middle name, the full middle name should be provided. Entry of a middle initial only is not permitted
- **Multiple First Names:** If an individual has two first names and no middle name, both first names should be entered in the first name field (e.g., an individual who has “Mary Elizabeth” as a first name, but no middle name, should enter “Mary Elizabeth” in the first name field). The middle name field should be left blank
- **Name Suffix:** A name suffix may be abbreviated: Junior can be JR, the Third can be III, etc. Punctuation, abbreviations, and special characters should be used in names only when they are part of the individual’s legal name.

How to Complete a FinCEN ID Application

ADDITIONAL TIPS

► Addresses

- Addresses must be in certain data formats to be accepted
- **ZIP Codes:** ZIP Codes must be five or nine digits. ZIP Codes and foreign postal codes must be entered without formatting or special characters such as spaces or hyphens. For example, the ZIP Code 12345-6120 should be entered as 123456120. The foreign postal code HKW 702 should be entered HKW702
- **U.S. Territories:** When an address is in a U.S. Territory, select the U.S. Territory from the Country/ Jurisdiction drop-down menu in the FinCEN ID application
- **Non-U.S. Addresses:** When an address is not in the United States, enter the street address, city, country/jurisdiction, and foreign postal code. If a foreign address contains information that does not exactly match the FinCEN ID application address fields, provide the foreign address information in the existing FinCEN ID application address fields regardless of whether the field fully matches the address information. All foreign address information should be reflected somewhere in the address fields provided. No abbreviations are permitted in city names, which must be completely spelled out. A U.S. city name must match the city name used by the U.S. Postal Service for the associated State and ZIP Code.

► Unique Identifying Numbers

- Enter all unique identifying numbers as a single text string without formatting or special characters such as hyphens or periods. An identifying number in the format NNN-NN-NNNN should be entered as NNNNNNNNN

► Prohibited Words and Phrases

- Do not use the following words or variations of these words in text fields of the FinCEN ID Application: AKA, BDA, NMN, None, Not applicable, Other, Same, Same as above, See above, T/A, Unknown, Various, XX

Additional Guidance

New York LLC Transparency Act

- ▶ **December 22, 2023:** New York State Governor Hochul signed into law the Limited Liability Company Transparency Act (LLCTA)
 - The NY LLCTA is expected to come into effect December 21, 2024
 - NY LLCTA allows NY LLCs that make CTA filings with FinCEN to file a copy of the same form with the NY Department of State (DOS)
 - Limited to Limited Liability Companies (LLCs) organized or registered to do business in New York
 - Exempt LLCs will be required to submit a signed statement to the NYDOS reflecting the applicable exemption
- ▶ LLCTA has similar BOI reporting obligations and exemptions available as the CTA
 - Disclose identities of Beneficial Owners: Individuals who
 - Directly/indirectly exercise substantial control
 - Own/control at least 25% ownership interest
 - BOI reports under the LLCTA to be filed with the NY DOS
 - It is expected that a chapter amendment to the LLCTA will remove the public disclosure (via publicly available database) of reported information
- ▶ Failure to file a required disclosure within 30 days, LLC will be shown as “past due” or “delinquent” until files, and may be subject to civil penalty of \$250.

▶ Reporting timeframe for LLCTA

- For LLCs formed/registered to do business in NY State before December 21, 2024 – initial disclosure required to be filed with NY DOS by January 1, 2025
- For LLCs formed/registered to do business in NY State after December 21, 2024 – initial disclosure required to be filed with NY DOS at the time of filing of articles of organization or application for authority
- Updated disclosures must be filed within 90 days of change to the information

▶ CTA v. LLCTA – Key differences

- LLCTA only applies to limited liability companies formed or authorized to do business in New York
- If a limited liability company qualifies for an exemption under the CTA, it is also exempt from disclosure under the LLCTA; however
 - LLCTA required a member/manager of the limited liability company to file a signed statement with the NY DOS indicating provision of the CTA they rely on in claiming an exemption
- Beneficial owners required to disclose current business address under LLCTA (as opposed to current residential address under CTA)
- LLCTA does not require a copy of the valid ID document to be submitted with the disclosure
- LLCTA does not require disclosure of information regarding Company Applicants (which is only applicable to CTA)

Compliance Implementation and Best Practices

► Preparation for BOI Reporting

- Determine if you are a Reporting Company and if there are any available exemptions from BOI reporting – **entity by entity analysis**
 - If you are exempt, no filing is required and maintain appropriate documentation to support your conclusion;
 - If you are not exempt, determine who are your Beneficial Owners (and Company Applicants – if the Reporting Company was created/registered after January 1, 2024)
 - Assess which individuals have “substantial control” or 25% or more “ownership interests”
- Gather all information/documents needed to file your BOI report
 - Consider acceptable identification documents for Beneficial Owners and Company Applicants
 - Maintain beneficial ownership information in a secure manner in accordance with privacy/cybersecurity laws
- Submit your BOI report and maintain all documentation and evidence of filing

► Creating or updating company policies (anti-money laundering programs) to ensure BOI Rule reporting requirements are met

- Guidelines to determine if you are a Reporting Company required to file BOI reports
- Who is responsible for filing BOI reports on behalf of the Reporting Company
- Who is responsible for creating or registering the company with the Secretary of State (or similar office) – i.e., Company Applicant
- Who are the Beneficial Owners of the Reporting Company
- What information is required to be submitted in the BOI report
- When any updated BOI reports are required and periodic reassessment of any claimed exemptions

Additional Resources

▶ Applicable Law and Regulation:

- Corporate Transparency Act; available [here](#)
- BOI Reporting Requirements Final Rule; available [here](#)

▶ FinCEN has provided several additional resources to help companies report their BOI

- Primary resource page: <https://www.fincen.gov/boi>
- Here you will find information and reference material on:
 - Frequently Asked Questions (FAQs): <https://www.fincen.gov/boi-faqs>
 - Small Entity Compliance Guide: <https://www.fincen.gov/boi/small-entity-compliance-guide>
 - Where to submit/file your BOI report and how to get started: <https://boiefiling.fincen.gov/>; <https://boiefiling.fincen.gov/fileboir>
- If you have any questions regarding BOI reporting obligations, you should contact FinCEN at www.fincen.gov/contact
- Paul, Weiss Client Alert: New Filing Requirements Under the Corporate Transparency Act, available [here](#)

▶ **IMPORTANT NOTE:**

- **CTA is new**
- **FinCEN continues to issue new FAQs and guidance**
- **There are proposed rules that may have further impact on CTA and BOI reporting**

