

Instructions for Filing Beneficial Ownership Information Reports Under the Corporate Transparency Act

Matthew C. Luzadder, Wendy A. Clarke, Jeffrey J. Hunter, Aaron D. Rosenfeld

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On January 1, 2024, the new beneficial ownership information reporting requirements (BOIR) went into effect under the Corporate Transparency Act (CTA). Among other things, beneficial ownership reporting is intended to make it more difficult for criminals, organized crime rings, and other illicit actors to hide their identities and launder money through the United States financial system.

The CTA is expected to [affect 32.6 million small and medium-sized businesses in unregulated industries during its first year, and 5 million additional companies each year in years 2-10](#). If the CTA applies to your company, you may be required to report information about the people who own or control it—the company’s beneficial owners—to the U.S. Treasury Department’s Financial Crimes Enforcement Network or FinCEN unless an exemption exists. For a list of the 23 exemptions see [link](#). See also *FinCEN’s Small Entity Compliance Guide* which includes a table and checklists for each of the 23 exemptions that may help determine whether a company meets an exemption.

When do you need to report a company’s beneficial ownership information to FinCEN?

A reporting company created or registered to do business before January 1, 2024, will have until January 1, 2025 to file its initial beneficial ownership information report.

A reporting company created or registered on or after January 1, 2024, and before January 1, 2025, will have 90 calendar days after receiving notice of the company’s creation or registration to file its initial BOI report. This 90-calendar day deadline runs from the time the company receives actual notice that its creation or registration is effective, or after a secretary of state or similar office first provides public notice of its creation or registration, whichever is earlier.

Reporting companies created or registered on or after January 1, 2025, will have 30 calendar days from actual or public notice that the company’s creation or registration is effective to file their initial BOI reports with FinCEN.

What is the process for filing BOIRs?

If you are required to report your company’s beneficial ownership information to FinCEN, you can do so electronically through a secure filing system available via FinCEN’s website. You file a report using [the BOI E-Filing System](#). Filing is free, and the website also includes filing instructions, step-by-step

guides, and other information to assist filers.

We have inserted below a summary of each of the three filing methods which details the information solicited.

- The first filing method asks you to complete a fillable PDF on your local machine and then submit via the online portal.
- The second filing method asks you to complete form fields directly on the FinCEN website. Unlike the PDF method, you are not able to save progress on the online form and will need to submit an entirely new Online BOIR when filing updates/corrections.
- The third filing method asks that you contact FinCEN for API Information.

The BOI E-Filing System site has a Chat feature which allows you to ask questions on technical filing issues. There is also a handy link to FAQs. Please contact us if you have any questions or would like further information regarding substantive legal issues in connection with compliance.

Penalties for Non-Compliance

The CTA establishes civil and criminal penalties for individuals who “willfully provide, or attempt to provide, false or fraudulent beneficial ownership information” or who “willfully fail to report complete or updated beneficial ownership information.” Willful failures to report complete or updated beneficial ownership information are punishable by civil penalties of up to \$500 per day that each violation continues, and in certain cases criminal penalties of up to \$10,000, two years’ imprisonment, or both.

We are monitoring developments in this space, and are happy to answer any questions in the meantime.

If you need assistance or guidance regarding compliance with the CTA, please reach out to the Kelley Drye lawyers listed on this Client Advisory.

Please see below our prior guidance on the CTA:

[FinCEN Extends Beneficial Reporting Deadline for Companies Created or First Registered in 2024](#) (December 11, 2023)

[FinCEN Identifier: The Final Rule Details What You Need to Know](#) (November 10, 2023)

[FinCen Issues Small Entity Compliance Guidance: An Approach to BOI Reporting Obligations](#) (October 19, 2023)

[The Corporate Transparency Act: New Compliance & Reporting Obligations](#) (August 1, 2023)