

New Federal Reporting Requirement for Beneficial Ownership Information (BOI)

Effective January 1, 2024, many companies in the United States must report information about their beneficial owners (The individuals who ultimately own or control the Company) to the Financial Crimes Enforcement Network (FINCEN), a bureau of the US Department of Treasury. This filing is separate from the filing of your tax return, so please read below for whom must file and how to do it.

We have tried to summarize the main points here on how to file but if you would like more detailed information, please read the Small Entity Compliance Guide provided by FINCEN: [Small Entity Compliance Guide](#)

Who Has to Report?

Your Company may need to report information about its beneficial owners if it is:

- A Corporation, a limited liability company (LLC), or was otherwise created in the United States by filing a document with a Secretary of State or any similar office under the laws of a State. Or
- A foreign Company and was registered to do business in any US state.

Who Does Not Have to Report?

Please click on the [Small Entity Compliance Guide](#) for a complete list of entities that do not need to report (Chapter 1.2), but upon our review of this list, most of the clients of Eger CPA will have a filing requirement.

When Do I Report?

- If your business was registered before January 1, 2024, you will have until January 1, 2025, to file a report.
- If your business was registered on or after January 1, 2024, and before January 1, 2025, you must file a report within 90 calendar days of receiving confirmation of your corporation's incorporation or organization of your LLC or partnership.
- If your business registers after January 1, 2025, you must file a report within 30 calendar days of receiving confirmation of your corporation's incorporation or organization of your LLC.
- If you have updates or corrections to previously filed BOI reports, you must submit them within 30 days.

What are the consequences of non-compliance?

Failure to comply with reporting requirements may result in substantial fines and penalties. Deliberate violations may incur civil penalties of up to \$500 per day and criminal penalties of up to two years imprisonment along with fines up to \$10,000.

How do I report?

FINCEN believes it will take approximately 60 minutes to prepare the BOI report. We believe this report is best prepared by the owners of the Company. The information required to file this report is very sensitive in nature, so we do not recommend hiring an outside Company that you are not familiar with to prepare this report on your behalf. Below is the information you will need to file the report:

Information required of each of the Beneficial Owners of the Company:

- Full legal name
- Date of Birth
- Address
- Driver's License or passport (and a picture of the identification document to upload)

Company Information:

- Company name
- Legal Structure
- Formation Jurisdiction (ie, what state are you registered in)
- EIN # or Taxpayer Identification Number

Please click here for a short video on how to file the BOI report: [IRS Video](#)

Please click here to get to the webpage to file: [BOI E-filing System](#)

There is a lot of misinformation regarding the BOI reporting, but please be aware that business clients at Eger CPA (in general) will be required to file this report and keep compliant moving forward. If you have questions about your company information (as listed above) as you prepare to file this report, please reach out to your Account Manager and they will be ready to track down that information.

Thanks!

Eger CPA