



---

## Reminder: Beneficial Ownership Information Reporting Requirements

As a reminder, a new law went into effective on January 1, 2024, requiring all business owners to report their Beneficial Ownership Information (BOI) to the Financial Crimes Enforcement Network (FinCEN) by December 31, 2024.

These reporting requirements are part of the Corporate Transparency Act (CTA). This law is part of the Federal Government's efforts to make it harder to hide or benefit from ill-gotten gains through shell companies or other opaque ownership structures.

The BOI is requesting LLCs and Corporations to report the individuals who directly or indirectly own or control a company. This includes senior officers, those who make major decisions regarding the company, and those who financially benefit from the company.

A trust is considered a Beneficial Owner when it owns 25% or more of the Company or has substantial control over it. In that case, providing the name of the trust is not sufficient. Rather, the CTA "looks through" the trust to identify key parties to the trust, whose information must be reported. This includes:

1. A grantor, trustee, trust protector, directing party or other individual with authority to dispose of trust assets; and
2. A current beneficiary who is the recipient of trust income and principal.

This is a one-time filing absent changes in the Company's ownership and address information, e.g., death, divorce, sale, etc.

All reports must be filed by January 1, 2025 or within **90 days** of creation of the business, if the business was formed in 2024. If any previously reported information changes, there is a 30 day window to fix it. This could be changes in ownership, business name, or address etc.

**If the company fails to report BOI, it may be penalized anywhere from \$500 (civil penalty) to \$10,000 (criminal penalty) a day per company.**

For more information on BOI Reporting please visit the [FinCEN Website](#).

Kierman Law LLC **will not** automatically be filing the report on behalf of our clients as it involves the gathering of personal data and proof of identification that is not required when establishing your LLC.

**Companies that are required to report are called reporting companies. There are 23 company types that are exempt from reporting BOI listed below:**

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 adviser
11	Venture capital fund advisor
12	Insurance Company
13	State-licenses 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 entity

---

**If own a company, please complete your BOI by the end of the year.**

## Questions?

Email me at [akierman@kiermanlaw.com](mailto:akierman@kiermanlaw.com) or call me at (480) 719-7333

---

## Follow Us:

