

COMPLIANCE GUIDE
TO THE
CORPORATE TRANSPARENCY ACT
BENEFICIAL OWNERSHIP INFORMATION
REPORTING REQUIREMENTS FOR SMALL BUSINESSES

By: Lawrence J. Brokamp
MTNA General Counsel

The Corporate Transparency Act requires most small businesses to file beneficial ownership information (BOI) reports to the Financial Crimes Enforcement Network (FinCEN). The reports must be filed online (<https://boiefiling.fincen.gov/fileboir>) and contain information about the entity itself and its beneficial owners. Failure to comply may result in a civil penalty of \$500 per day for each day that the violation continues, or a criminal fine of \$10,000, imprisonment for two years, or both.

WHO MUST FILE?

Any entity (Corporation, Partnership, LLC, etc.) formed by a filing with any Secretary of State is deemed a “Reporting Company” and must file a BOI Report with FinCEN unless it qualifies for an exception (see page 2 for a list of exempt entities). **Note: Sole proprietors and tax-exempt organizations (such as a local or state affiliate of MTNA) are not required to file a report.**

WHEN MUST IT BE FILED?

Reporting Companies created or registered to do business before January 1, 2024, have until January 1, 2025, to file their initial BOI reports. Reporting companies created or registered on or after January 1, 2024, and before January 1, 2025, have 90 calendar days to file their initial BOI reports. Reporting companies created or registered on or after January 1, 2025, will have 30 calendar days to file their initial BOI reports.

WHAT MUST BE REPORTED?

The Reporting Company’s: (1) full legal name, (2) any trade name or “doing business as” (DBA) name, (2) complete current U.S. address, (3) state, Tribal, or foreign jurisdiction of formation, and (4) IRS Employer Identification Number (EIN), all must be reported.

The Reporting Company must also report each Beneficial Owner’s: (1) full legal name, (2) date of birth, (3) complete current address, and (3) uploaded image of U.S. passport or State driver’s license or Identification document issued by a state, local government, or tribe along with that document’s unique identifying number and it’s issuing jurisdiction.

If there is **any change** to the Reporting Company’s information or its beneficial owners in a previously filed BOI report filed, the Reporting Company must file an updated BOI report no later than 30 days after the date on which the change occurred.

WHO IS A BENEFICIAL OWNER?

In general, a Beneficial Owner is an individual who owns or controls (directly or indirectly) at least 25 percent of a company or has substantial control (Officers, Board Members, etc.) over the company.

Companies created on or after January 1, 2024, must also report the individual who directly files or is primarily responsible for the filing of the document that creates or registers the company.

IS A TRUST A REPORTING COMPANY?

Trusts not registered with a secretary of state are not Reporting Companies. However, a trust that owns 25% or has substantial control of a Reporting Company must report: (1) the trustee(s) of the trust or other individual (if any) with the authority to dispose of trust assets; (2) any beneficiary who is the sole recipient of income and principal from the trust; or has the right to demand a distribution of or withdraw substantially all of the assets from the trust; and (3) any grantor or settlor who has the right to revoke the trust or otherwise withdraw the assets of the trust.

WHAT ENTITIES ARE EXEMPT FROM FILING?

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| 1. Securities reporting issuer | 13. State-licensed insurance producer |
| 2. Governmental authority | 14. Commodity Exchange Act registered entity |
| 3. Bank | 15. Accounting firm |
| 4. Credit union | 16. Public utility |
| 5. Depository institution holding company | 17. Financial market utility |
| 6. Money services business | 18. Pooled investment vehicle |
| 7. Broker or dealer in securities | 19. Tax-exempt entity |
| 8. Securities exchange or clearing agency | 20. Entity assisting a tax-exempt entity |
| 9. Other Exchange Act registered entity | 21. Large operating company |
| 10. Investment company or investment adviser | 22. Subsidiary of certain exempt entities |
| 11. Venture capital fund adviser | 23. Inactive entity |
| 12. Insurance company | |

WHAT IS A "LARGE OPERATING COMPANY"

Generally, a Company is exempt as a Large Operating Company if:

- (1) The 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; **AND**
- (2) The entity employs more than 20 full time employees (working an average of at least 30 hours per week for the entity).

WHERE CAN I FIND ADDITIONAL INFORMATION ABOUT BOI REPORTING?

This Guide is intended to alert entities of potential filing requirements and is not comprehensive. All business owners should consult legal counsel and additional resources at: www.fincen.gov/boi

A FinCEN Small Entity Compliance Guide can be found at:

https://www.fincen.gov/sites/default/files/shared/BOI_Small_Compliance_Guide_FINAL_Sept_508C.pdf

FinCEN issues frequently asked questions to address specific questions on the topic that can be found at: www.fincen.gov/boi-faqs

In addition, if you have any questions regarding BOI reporting obligations, you should contact FinCEN at www.fincen.gov/contact