



# The Corporate Transparency Act



## Need Help?

The Community Economic Justice Clinic (CEJ) is a division of the East Bay Community Law Center.

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Beginning January 1, 2024, many companies in the U.S. 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 U.S. Department of the Treasury. The beneficial ownership information report (BOIR) covers information about the company itself and two categories of individuals: (a) beneficial owners and (b) company applicants. In general, a beneficial owner is an individual who owns or controls at least 25% of a company or has substantial control over the company, and a company applicant is an individual who directly files or is primarily responsible for the filing of the document that creates or registers the company.

### **Who has to report?**

Your company is required to file a BOIR if it is:

- a) corporation, a limited liability company (LLC), or was otherwise created in the U.S. by filing a document with a secretary of state or any similar office under the law of a state or Indian tribe; or
- b) a foreign company and was registered to do business in any U.S. state or Indian tribe by such a filing.

Companies required to report are called “reporting companies.” Reporting companies will have to obtain information from their beneficial owners and report that information to FinCEN.

### **Are you exempt from the reporting requirements?**

Many types of entities are exempt from the BOI reporting requirements, including publicly traded companies, tax-exempt entities (like nonprofits), and certain large operating companies. FinCEN’s Small Entity Compliance Guide includes checklists that may help determine whether your company qualifies for one of the exemptions.

### **How do you report?**

Filing is free of charge. Reporting companies report beneficial ownership information electronically through [FinCEN's website](#). The system provides a confirmation receipt once a completed report is filed.

### **What's included in the BOIR?**

The report should include the company's name, address and other basic information. It should also identify the beneficial owners of the company and, if formed on or after January 1, 2024, the company applicants. With respect to the beneficial owners and company applicants, the following information is required:

- Names;
- Birthdates;
- Addresses (home); and
- ID numbers with photos (copy of driver's license or passport, for example).

### **When do you report?**

BOI reporting is not an annual requirement. Unless a company needs to update or correct information, a report only needs to be submitted once. FinCEN began accepting reports on January 1, 2024.

If your company was created or registered prior to January 1, 2024, you will have until January 1, 2025 to report. If your company is created or registered in 2024, you must report within 90 calendar days after receiving actual or public notice that your company's creation or registration is effective, whichever is earlier. If your company is created or registered on or after January 1, 2025, you must report within 30 calendar days after receiving actual or public notice that its creation or registration is effective. Any updates or corrections to beneficial ownership information that you previously filed with FinCEN must be submitted within 30 days.

### **Are there penalties if you don't file?**

Yes, FinCEN may impose civil (fines) and criminal penalties against companies and individuals. These penalties may apply to individuals filing false information, entities willfully failing to report BOI or entities failing to verify the information they receive from beneficial owners and company applicants before submitting the report.

## Where Can I Find More Information?

FinCEN's [Small Entity Compliance Guide](#)

provides detailed information



to help small businesses comply with the BOI reporting requirement. The guide is published in multiple languages.

More information about the CTA and guidance materials are available [online](#). FinCEN also maintains a [FAQ](#) page answering specific questions on this topic. If you have additional questions, you can contact FinCEN directly by submitting a [contact form](#).