

FinCen Beneficial Ownership Information registration requirements Question and Answer

Sunday, December 31, 2023

What is it?

The Beneficial Ownership Information (BOI) registry as part of the Corporate Transparency Act (CTA). The BOI is a new online federal database that will serve as a national registry to store and track the ownership information of certain limited liability companies (LLCs) and corporations started and operating the United States.

Who created the BOI?

The U.S. Senate and House approved “The Corporate Transparency Act” (CTA) as part of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021.

Why was the CTA created?

There are growing concerns about many LLCs and cloud of ownership associated with these entities. Also, there are concerns about the perception of some LLCs serving as shell companies created to engage in questionable or illegal activities that harm the U.S., its citizens, and national security. As a result, the law requires individuals of certain LLCs owned and operated in the United States to register their ownership of the entity into a national database, BOI, managed by Financial Crimes Enforcement Network (FinCen).

When was CTA created?

On January 1, 2021, the bill became a law, Public Law No. 116-283.

When does CTA takes effect?

January 1, 2024

What are the initial reporting deadlines?

January 1, 2025: LLCs, corporations, or foreign companies doing business in the United States created or registered to do business before January 1, 2024.

90-calendar day period: LLCs, corporations, or foreign companies doing business in the United States 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 or after a secretary of state or similar office first provides public notice of its creation or registration, whichever is earlier.

30-calendar day period: LLCs, corporations, or foreign companies doing business in the United States 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.

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Who will manage the FinCen BOI national registry?

U.S. Department of Treasury's Financial Crimes Enforcement Network, or FinCen.

Who does the CTA impact?

Certain corporations and LLCs created and operating in the United States by filing a document with a secretary of state or any similar office under the law of a state or Indian tribe.

Foreign companies registered to do business in any U.S. state or Indian tribe.

NOTE: There are exemptions to reporting a LLC or corporation if it meets certain requirements including the type of industry, number of full-time employees, and annual revenue thresholds are met.

Where do I register?

<https://www.fincen.gov/boi>

Where can I find more information?

More information is available at <https://www.fincen.gov/boi>.

How can I reach ClearCompliance Group?

You can reach us at info@ccompliancegroup.com for straightforward information and assistance to help you minimize noncompliance issues related to the new filing requirement.