

JANUARY 19, 2024

UPDATE: Corporate Transparency Act's Beneficial Ownership Information Reporting

Background

This is an update to the [Tax Insights](#) that was issued on August 15, 2023 on the same topic. Beginning on January 1, 2024, businesses considered to be a domestic or foreign "reporting company" are required to file a Beneficial Ownership Information Report (BOI Report) with the Financial Crimes Enforcement Network (FinCEN) of the United States Department of Treasury.

A "domestic reporting company" is a corporation, limited liability company (LLC), or any entity created by the filing of a document with a secretary of state or any similar office under the law of a state or Indian tribe. A "foreign reporting company" is a corporation, LLC, or other entity formed under the law of a foreign country that is registered to do business in any state or tribal jurisdiction by the filing of a document with a secretary of state or any similar office.

When does the initial BOI report have to be filed?

Since the issuance of the original Tax Insights on this topic, FinCEN extended the deadline for domestic and foreign reporting companies that are created or registered on or after January 1, 2024 through December 31, 2024 from 30 days to 90 days from the date that notice of the effective date of creation or registration is received. The BOI Report filing deadlines as of the date of this Tax Insights are as follows:

COMPANY TYPE	DATE ENTITY ORGANIZED OR REGISTERED	BOI REPORTING DEADLINE
Domestic Reporting Company	Before January 1, 2024	January 1, 2025
Domestic Reporting Company	January 1, 2024 through December 31, 2024	90 days from notice of entity creation
Domestic Reporting Company	January 1, 2025 or after	30 days from notice of entity creation
Foreign Reporting Company	Before January 1, 2024	January 1, 2025
Foreign Reporting Company	January 1, 2024 through December 31, 2024	90 days from notice of entity registration
Foreign Reporting Company	January 1, 2025 or after	30 days from notice of entity registration

What should you do now?

As stated in our previous Tax Insights on this topic, owners and managers of small businesses should determine whether their business is subject to the new BOI reporting requirement and begin to gather the required information and make sure the information is current when the initial BOI report is filed.

If a beneficial owner or company applicant that you identify prefers to report the required information directly to FinCEN instead of providing their information to you for submission to FinCEN, they may register for a FinCEN Identification Number. This number may be provided to a reporting company in lieu of the required information for submission to FinCEN. For more information about FinCEN Identification Numbers, please see the instructions linked below.

Beware of Fraudulent Communications

FinCEN has been notified of recent fraudulent attempts to solicit information from individuals and entities who may be subject to BOI reporting requirements. The fraudulent correspondence may be titled "Important Compliance Notice" and asks the recipient to click on a URL or to scan a QR code. Those e-mails or letters are fraudulent. FinCEN has confirmed that it does not send unsolicited requests. You should not respond to these fraudulent messages or click on any links or scan any QR codes within them.

FinCen Guidance and Resources

[Beneficial Ownership Reporting Key Questions](#)

[Small Entity Compliance Guide](#)

[BOI Frequently Asked Questions](#)

[FinCEN Identification Number Filing Instructions](#)

If you have questions regarding how this new reporting requirement may affect you, please don't hesitate to [contact us](#). If you would like assistance in filing your BOI report, please contact C&Y CPAs LLC at (808) 521-4974 so that they can provide you a fee estimate for this service.

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