

NEW MANDATORY BUSINESS REPORTING REQUIREMENTS

BENEFICIAL OWNER INFORMATION REPORTING – UNDER THE CORPORATE TRANSPARENCY ACT

WHAT IS IT?

Congress enacted the legislation to attempt to decrease money laundering and tax fraud. Reporting is made to the Financial Crimes Enforcement Network (FinCEN).

WHO IS SUBJECT TO THE REQUIREMENT?

Any US corporations, partnerships, and limited liability companies that are created by filing a document with a secretary of state. This includes single-member LLCs. There are some limited exemptions, but nearly all businesses with less than 20 full time employees and \$5 million in revenue will be subject.

WHAT IS REQUIRED TO BE REPORTED?

1. Information about the Company
 - a. Address
 - b. EIN
 - c. State of formation
2. Information about the owners and other people who might benefit from the Company
 - a. Legal name
 - b. Address
 - c. SSN
 - d. Driver's license
3. Anytime this information changes, an update to the filing must be made

WHEN IS THIS DUE?

If your business was formed prior to 1-1-2024, the initial filings are due 12-31-2024

If your business starts in 2024 – the initial filings are due 60 days after formation

If your business starts in 2025 - the initial filings are due 30 days after formation

PENALTIES FOR NON-COMPLIANCE ARE \$500 PER DAY – WE URGE YOU TO CONTACT YOUR ATTORNEY TO DETERMINE HOW YOU WILL MAKE THE REQUIRED FILINGS AND MAINTAIN THEM. BE CAUTIOUS OF SCAMS OFFERING TO PROVIDE THIS SERVICE FOR YOU – WITH THE PERSONAL INFORMATION YOU ARE REQUIRED TO PROVIDE, IDENTITY THEFT IS A MAJOR CONCERN – MAKE SURE YOU ARE USING A TRUSTED ATTORNEY TO MEET THE REQUIREMENTS.