

Beneficial Ownership Information Reporting



What's new?

Individuals owning 25% or more of a private business may have new filing requirements. The Corporate Transparency Act passed in 2021 to make it harder for bad actors to hide or benefit from ill-gotten gains through shell companies or opaque ownership structures to report their ownership stake.

Who is required to take action?

Domestic reporting companies are corporations, limited liability companies, and any other entities created by the filing of a document with a secretary of state or any similar office in the United States.

Foreign reporting companies are entities (including corporations and limited liability companies) formed under the law of a foreign country that have registered to do business in the United States by the filing of a document with a secretary of state or any similar office. See <https://www.fincen.gov/boi> for a list.

Who is the beneficial owner?

A beneficial owner is an individual who either directly or indirectly:

1. Exercises substantial control (see Question D.2) over the reporting company, or
2. Owns or controls at least 25% of the reporting company's ownership interests.
3. Own more than one company? You can file for a personal FinCen number to simplify filings.

Where should you report this information?

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

What are considered acceptable forms of identification that will meet the reporting requirements?

1. A non-expired U.S. driver's license (including any driver's licenses issued by a commonwealth, territory, or possession of the United States)
2. A non-expired identification document issued by a U.S. state or local government, or Indian Tribe
3. A non-expired passport issued by the U.S. government
4. A non-expired passport issued by a foreign government (only when an individual does not have one of the other three forms of identification listed above).



The reporting requirement is effective on January 1, 2024. FinCEN will begin accepting beneficial ownership information reports on that date.



INITIAL REPORTS

Required by all companies that meet the definition of **reporting company** and are not **exempt** from that definition.



Existing reporting companies

Created or registered to do business in the United States before January 1, 2024. Reports due by **January 1, 2025**.



New reporting companies

Created or registered to do business in the United States on or after January 1, 2024.

Reporting companies created or registered **on or after January 1, 2024 and before January 1, 2025**, have **90 calendar days** after receiving actual or public notice that their company's creation or registration is effective to file their initial BOI reports.

Reporting companies created or registered **on or after January 1, 2025**, will have **30 calendar days** from receipt of actual or public notice that their creation or registration is effective to file their initial BOI reports.

What penalties do individuals face for violating BOI reporting requirements?

As specified in the Corporate Transparency Act, a person who willfully violates the BOI reporting requirements may be subject to civil penalties of up to \$500 for each day that the violation continues. That person may also be subject to criminal penalties of up to two years imprisonment and a fine of up to \$10,000. Potential violations include willfully failing to file a beneficial ownership information report, willfully filing false beneficial ownership information, or willfully failing to correct or update previously reported beneficial ownership information.

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