

BENEFICIAL OWNERSHIP REPORTING OUTREACH AND EDUCATION

B **I** | BENEFICIAL OWNERSHIP INFORMATION

As of January 1, 2024, the bipartisan Corporate Transparency Act requires many companies doing business in the United States to report information about the individuals who ultimately own or control them. The law was passed to curb illicit finance and protect U.S. national security. Filing is simple, secure, and free of charge. Learn more about beneficial ownership reporting at www.fincen.gov/boi.

Companies that are required to comply (“reporting companies”) must file their initial reports by the following deadlines:

- **Existing companies:** Reporting companies created or registered to do business in the United States before January 1, 2024 must file by January 1, 2025.
- **Newly created or registered companies:** Reporting companies created or registered to do business in the United States in 2024 have 90 calendar days to file after receiving actual or public notice that their company’s creation or registration is effective.

Beneficial ownership information reporting is not an annual requirement. A report only needs to be submitted once, unless the filer needs to update or correct information.

Frequently Asked Questions

Background

The bipartisan Corporate Transparency Act, enacted in 2021 to curb illicit finance and protect U.S. national security, requires many companies doing business in the United States to report information to the Federal government about their beneficial owners—in other words, the real people who ultimately own or control them. The Financial Crimes Enforcement Network (FinCEN), a U.S. Treasury Department bureau, is implementing the law. Constituents should know:

- Filing is quick, secure, and free, and most companies should be able to report without the help of an accountant or lawyer.
- For companies with simple ownership structures, filing may take less than 20 minutes.
- Unless a company needs to update or correct information, it is a one-time filing requirement.

BENEFICIAL OWNERSHIP REPORTING OUTREACH AND EDUCATION

What is FinCEN?

The Financial Crimes Enforcement Network (FinCEN) is a bureau of the U.S. Treasury Department. Its mission is to safeguard the financial system from illicit use, combat money laundering and its related crimes including terrorism, and promote national security through the strategic use of financial authorities and the collection, analysis, and dissemination of financial intelligence.

Who needs to file?

A company may need to report beneficial ownership information to FinCEN if it is:

- a corporation, a limited liability company (LLC), or was otherwise created 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; or
- a foreign company that was registered to do business in any U.S. state or Indian tribe by such a filing.

For more information about whether a company needs to file, visit fincen.gov/boi.

Why are big companies exempt from this reporting requirement?

Many big companies already have to disclose their ownership details to Federal regulators through other means. To refrain from creating redundant reporting requirements, the Corporate Transparency Act primarily focuses on preventing illicit finance through smaller corporate entities by creating a uniform reporting process at the Federal level.

What do companies need to report?

Reporting companies need to report just a few pieces of information about themselves and their beneficial owners—and in some cases, their company applicants—such as name, address, and date of birth. [More information is available here.](#)

Where can reporting companies file?

Companies can file at <https://boiefiling.fincen.gov/> or visit <https://www.fincen.gov/boi> for more information.

What are the filing deadlines?

- Reporting companies **created or registered before January 1, 2024** have until January 1, 2025 to file.
- Reporting companies **created or registered in 2024** must file within 90 calendar days after receiving actual or public notice that their creation or registration is effective, whichever is earlier.
- Reporting companies **created or registered on or after January 1, 2025** must file within 30 calendar days after receiving actual or public notice that their creation or registration is effective.
- Any **updates or corrections** to beneficial ownership information previously filed with FinCEN must be submitted within 30 days.

BENEFICIAL OWNERSHIP REPORTING OUTREACH AND EDUCATION

Who has access to beneficial ownership information?

The CTA allows for the following groups to access beneficial ownership information:

- Federal, State, local, and Tribal officials, as well as certain foreign officials who submit a request through a U.S. Federal government agency, for authorized activities related to national security, intelligence, and law enforcement;
- financial institutions in certain circumstances, with the consent of the reporting company; and
- those financial institutions' regulators when they supervise the financial institutions.

The database uses rigorous information security methods and controls typically used in the Federal government to protect non-classified yet sensitive information systems at the highest security level.

What happens if a reporting company doesn't file?

A person who *willfully* violates beneficial ownership reporting requirements may be subject to civil penalties of up to \$591 for each day that the violation continues, as well as 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.