



Client Insights: Corporate Transparency Act: Deadline for BOI Filings Approaching

Insights

September 4, 2024

As we near the end of 2024, we want to remind our clients about an important upcoming deadline under the Corporate Transparency Act (CTA). If your entity was formed or registered to do business in the United States before January 1, 2024, you must file your initial Beneficial Ownership Information (BOI) report with the Financial Crimes Enforcement Network (FinCEN) by December 31, 2024.

Key Points to Remember

Reporting Requirements

The CTA requires many U.S. entities and foreign entities registered to do business in the U.S. to file BOI reports disclosing information about the company and its beneficial owners. Beneficial owners are individuals who either:

- Exercise substantial control over the company, or
- Own or control at least 25% of the company's ownership interests.

Filings can be made electronically at the following URL: <https://fincen.gov/boi>. While the e-filing system offers a webform to complete the filing, we recommend that clients e-file using the provided PDF form in order to maintain a record of the filing and to allow for easier updates when they are required.

Deadlines

- Entities formed before January 1, 2024: Must file by December 31, 2024

- Entities formed in 2024: Must file within 90 days of formation
- Entities formed on or after January 1, 2025: Must file within 30 days of formation
- Entities which have already filed and that have any change in beneficial owners (or their underlying information): Must file within 30 days of such change

Penalties for Non-Compliance

Failure to file or willfully providing false information can result in:

- Civil penalties up to \$500 per day, and
- Criminal penalties including up to 2 years imprisonment and fines up to \$10,000.

More detailed information can be found in [our previous client alert](#).

Next Steps

1. Determine if your entity is a “reporting company” under the CTA and does not qualify for an exemption under the CTA.
2. Identify your company’s beneficial owners.
3. Gather required information for the BOI report, ideally including the FinCEN identifiers of each beneficial owner.
4. File your report through FinCEN’s [online portal](#) before the applicable deadline.

Questions About Beneficial Owners

Determining if an exemption applies to your entities and who qualifies as a beneficial owner under the CTA can be complex, especially for companies with intricate ownership structures or management arrangements. If you have any questions about whether an exemption applies or who should be included in your BOI filing, we strongly encourage you to reach out to your Gunderson attorney team for guidance, as we can help you:

- Interpret the CTA’s definitions of “substantial control” and “ownership interests,”
- Analyze your company’s specific structure to identify reportable beneficial owners, and
- Determine if any individuals qualify for exceptions to the reporting requirements.

You can either make the filings with FinCEN yourself or we can provide a list of service providers that can help make such filings. Please note that we are not able to make filings with FinCEN on behalf of clients.

For entities formed before January 1, 2024, we strongly advise beginning this process as soon as possible to ensure compliance before the year-end deadline. The analysis and information gathering required can be time-consuming, especially for complex organizational structures.

If you have any questions about your reporting obligations under the CTA, please do not hesitate to contact your Gunderson attorney team.

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