

## New Federal Reporting Requirement for Beneficial Ownership Information (BOI)

We are writing to you regarding new reporting requirements for many businesses, which can include **Single member and multi member LLC's, C and S Corporations**. Starting January 1, 2024, certain businesses will be required to comply with the Corporate Transparency Act (CTA) which includes the filing of Beneficial Ownership (BOI) reports. These reports will be administered by the Financial Crimes Enforcement Network (FinCEN) and establishes a database of companies' beneficial ownership information to be used by law enforcement. This is not an Internal Revenue Service (IRS) issue.

There are significant penalties for missing filing deadlines, including criminal (fines and / or imprisonment) or civil (monetary) penalties. There is a \$500 per day penalty, up to \$10,000, and imprisonment of up to two years for the **WILLFUL** failure to timely file initial or updated reports.

Assisting with compliance and or filing of the CTA, including BOI reporting, **is not within the scope of services we provide. It will be your exclusive responsibility to comply with CTA, including its BOI reporting requirements.** Information can be found at <https://www.fincen.gov/boi>. Please consult with legal counsel on additional questions and or concerns regarding how BOI reporting requirements and issues effects your company.

As stated previously, compliance with the CTA, including the BOI reporting applies to most businesses including single member LLCs, which are treated as a disregarded entity for income tax reporting. A disregarded entity does not have a filing requirement with the Internal Revenue Service.

Finally, we wish to emphasize that we are sending you this letter to make you aware of these new current reporting requirements, associated risks, and suggest you contact legal counsel to assist you with the CTA and related BOI filings for entities that you own or control.

Our firm will Not assist with any BOI reporting. Furthermore, our firm will assume No liability stemming from your neglect on not filing this BOI report.

Sincerely,

Lipkin CPA PLLC

# New Federal Reporting Requirement for Beneficial Ownership Information (BOI)

## Further Instructions

This letter is to make you aware of reporting requirements that go into effect on **January 1, 2024**, that may require your business entity to report its beneficial ownership information to the Federal government.

Beginning on January 1, 2024, many companies in the United States will have to report information about their beneficial owners, i.e., the individuals who ultimately own or control the company. They will have to report the information to the [Financial Crimes Enforcement Network \(FinCEN\)](#). FinCEN is a bureau of the U.S. Department of the Treasury.

**NOTE:** This will be a **free** filing that companies can complete themselves. Be wary of official-looking mail from a third-party company offering to complete the beneficial ownership reporting on behalf of your company for a fee.

### Do I Need to Report?

**Most businesses are small businesses that may need to file.** Your company may need to report information about its beneficial owners if it is:

- 1) 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
- 2) A foreign company and was registered to do business in any U.S. state or Indian tribe by such a filing.

### How Do I Report?

Reporting companies will have to report beneficial ownership information electronically through FinCEN's website: [www.fincen.gov/boi](https://www.fincen.gov/boi).

### When Do I Report?

- Reports will be accepted starting on January 1, 2024.
- If your company was created or registered before January 1, 2024, you will have until January 1, 2025, to report BOI.

- If your company is created or registered on or after January 1, 2024 and before January 1, 2025, you must report BOI within 90 days of notice of creation or registration.
- If your company is created or registered on or after January 1, 2025 you must report BOI within 30 days of notice of creation or registration.
- If there is **any change** to the required information about your company or its beneficial owners in a BOI report that your company filed, your company must file an updated BOI report no later than 30 days after the date on which the change occurred. The same 30-day timeline applies to changes in information submitted by an individual in order to obtain a FinCEN identifier. A reporting company is not required to file an updated report for any changes to previously reported personal information about a company applicant.

There are significant penalties for missing filing deadlines, including criminal (fines and /or imprisonment) or civil (monetary) penalties. There is a \$500 per day penalty, up to \$10,000, and imprisonment of up to two years for the **WILLFUL** failure to timely file initial or updated reports.

It will be your exclusive responsibility to comply with CTA, including its BOI reporting requirements. Information can be found at <https://www.fincen.gov/boi>. Please consult with legal counsel on additional questions and or concerns regarding how BOI reporting requirements and issues effects your company.

Finally, we wish to emphasize that we are sending you this letter to make you aware of these new current reporting requirements, associated risks, and suggest you contact legal counsel to assist you with the CTA and related BOI filings for entities that you own or control.

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