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M E M O R A N D U M
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TO: Clients
FROM: Arthur Warady
RE: US Treasury Financial Crimes Reporting Center (FINCEN)

This Memorandum summarizes FINCEN requirements for BOI reporting.
More complete information is available from FINCEN at <https://www.fincen.gov/boi> and <https://www.fincen.gov/boi/small-entity-compliance-guide>

- **DISCLAIMER: THIS MEMORANDUM IS A SUMMARY TO ALERT CLIENTS OF ARTHUR WARADY OF THE POTENTIAL APPLICATION OF THE FINCEN BOI REPORTING REQUIREMENTS TO ONE OR MORE OF THEIR BUSINESSES. IT MAY NOT BE RELIED ON AS LEGAL ADVICE SPECIFYING WHETHER ANY PARTICULAR BUSINESS IS SUBJECT TO OR EXEMPT FROM BOI REPORTING.**
- **CONTACT ARTHUR WARADY FOR SPECIFIC LEGAL ADVICE WHETHER YOU OR ANY OF YOUR ENTITIES ARE SUBJECT TO THE FINCEN BOI REPORTING REQUIREMENTS.**

Starting January 1, 2024, almost all private companies and many other entities are required to report Business Ownership Information (BOI) to FINCEN.

- **The BOI report must include Beneficial Owners and Company Applicants**

When and Where am I Required to File My BOI FINCEN Report?

The BOI FINCEN report is filed online after January 1, 2024, at www.FINCEN.com
There is no filing fee.

- January 1, 2025 (or before) filing deadline if the Entity was formed before January 1, 2024
- 30 days after formation for Entities formed on or after January 1, 2024

What Specific Information Does My Company Need to Report?

Domestic Reporting Entities need to report, the following information:

For the Entity:

- Full Legal Name
- Trade Name (d/b/a) if any
- Complete current US address of its principal place of business in the USA
- Jurisdiction of Formation (normally the State)
- EIN of the Entity

For each Beneficial Owner (and Company Applicant, if required):

- Full Legal Name
- Date of Birth
- Residential Street Address
- Unique identifying number from one of the following:
 - US Passport
 - State Driver's License
 - Identification Document issued by State, local government, or tribe
 - Foreign passport if individual does not have one of the preceding items.
- Attach a copy of the document showing the disclosed unique identifying number

What is a FINCEN Identifying Number?

- A FINCEN Identifying Number is not required
- Those filing multiple BOI Reports can obtain a FINCEN Identifying Number and use it in lieu of entering the preceding information each time.

Who is a Beneficial Owner?

A Beneficial Owner is any individual who:

- Exercises **substantial control** over a Reporting Entity; or
- Owns or controls **at least 25% of the ownership interests** of a Reporting Entity.

Is My Company Required to Report Its Company Applicant?

- An entity **created before January 1, 2024 is not required** to report its Company Applicant.
- An entity created **on or after January 1, 2024 is required to report** its Company Applicant.

Who is a Company Applicant?

A Company Applicant **is an individual** who is either:

- The individual who directly filed the document that created the Domestic Reporting Entity (**Direct Filer**); or
- An individual who is not the Direct Filer, but who was primarily responsible for directing or controlling the filing of the creation or the first registration document of the Domestic Reporting Entity. This individual is only required to be reported if there is more than one individual involved in the filing. Only two individuals need to be reported even if more than two were involved in the filing.

What is a Domestic Reporting Entity?

If your company was formed under US Federal or State Law, then it may be a "Domestic Reporting Entity" if it is:

- A corporation
- A limited liability company
- Any other entity formed by filing a document with the Secretary of State or similar office

What Entities are Exempt from the Domestic Reporting Entity Definition?

There are 23 types of exempt entities.

These are listed and summarized at

<https://www.jdsupra.com/legalnews/the-corporate-transparency-act-part-2-2906489/>

Generally, my clients that may be exempt are:

- Tax Exempt organizations, e.g., 501(c)(3) organizations;
- Sole proprietorships that are not organized as Single Member LLCs; and
- Certain Inactive Entities that were in existence before January 1, 2020.