

## Most Entities Must File Ownership Reports by December 2024 to Avoid Penalties!

Starting January 1, 2024, the Corporate Transparency Act (CTA) requires certain entities to disclose beneficial ownership information (BOI) to the Financial Crimes Enforcement Network (FinCEN). This is separate from tax filings with the IRS. Entities required to report include any entity created by filing a document with a secretary of state or any similar office under the law of a state or Indian tribe (i.e., Limited Partnership, Limited Liability Partnership, Limited Liability Company, Corporation, etc.). **Penalties for willfully not complying with the BOI reporting requirement can result in criminal and civil penalties of \$500 per day and up to \$10,000 and/or up to two years of jail time.**

### FILING OPTIONS

Options	Pros	Cons
<b>Third-Party Software (Recommended)</b> (e.g., <a href="#">Harbor Compliance</a> or <a href="#">FileForms</a> )	<ul style="list-style-type: none"><li>• Interactive, step-by-step process</li><li>• Secure upload for Beneficial Owners</li><li>• Stored information for future filings</li><li>• Filing history and confirmations available</li></ul>	<ul style="list-style-type: none"><li>• Associated Cost (as of 7/31/24)<ul style="list-style-type: none"><li>◦ Harbor Compliance: \$199</li><li>◦ FileForms: \$179 (Use promo code <b>TROUT20</b> to save 20%)</li></ul></li></ul>
<b>Attorney Assistance</b>	<ul style="list-style-type: none"><li>• Expertise and guidance for complex entity structures and ownership</li></ul>	<ul style="list-style-type: none"><li>• Associated cost will vary</li></ul>
<b>Self-Prepare via <a href="#">FinCEN Portal</a></b>	<ul style="list-style-type: none"><li>• Free</li></ul>	<ul style="list-style-type: none"><li>• No interactive help features</li><li>• Cannot save/store information for future filings or view filing history</li><li>• Only one individual can upload information for each Reporting Company</li></ul>

### COMPLIANCE REQUIREMENTS

- Entities created on or after 1/1/2024 and before 1/1/2025 must file within 90 days of formation.
- Entities created on or after 1/1/2025 must file within 30 days.
- Existing entities created before 1/1/2024 must file by 1/1/2025.
- Changes to BOI information, such as beneficial owner or entity address updates and changes in driver's license or passport numbers, must be reported within 30 days.

### EXEMPTIONS

- There are 23 categories of exemptions. Included in the exemptions list are publicly traded companies, banks, credit unions, securities brokers, public accounting firms, tax-exempt entities, and certain inactive entities.
- Entities meeting all of the following three requirements: over 20 full-time U.S. employees, over \$5M in gross revenue (or sales) reported on their prior year's tax return, and being physically present in the U.S.



**For questions or assistance, please  
contact one of our professionals at  
717-569-2900.**