

ALERTS

Corporate Transparency Act Update: Beneficial Ownership Reporting Rule Now Effective and FinCEN Is Accepting Reports

January 4, 2024

On Jan. 1, 2024, the US Department of Treasury's Financial Crimes Enforcement Network ("FinCEN") beneficial ownership reporting rule ("BOI Rule")^[1] pursuant to the Corporate Transparency Act ("CTA")^[2] became effective. The BOI Rule requires certain legal entities formed or foreign entities registered to do business in the United States ("Reporting Company") to file a beneficial ownership information ("BOI") report with FinCEN identifying information about the Reporting Company and each individual who directly or indirectly exercises substantial control or owns or controls 25 percent or more of the ownership interests of a Reporting Company (each, a "Beneficial Owner").

FinCEN has also begun accepting BOI reports from Reporting Companies and FinCEN Identifier applications from individuals seeking to obtain a FinCEN Identifier.^[3]

For additional information on the BOI Rule and BOI report filing obligations, please see our prior *Alerts*: (1) "The Corporate Transparency Act: Key Considerations for Compliance With the Beneficial Ownership Reporting Rule," available [here](#); and (2) "The Corporate Transparency Act: The Private Funds Guide to Compliance With the Beneficial Ownership Reporting Rule," available [here](#).

Filing Deadlines.

- *Existing Reporting Companies* – A Reporting Company formed or registered before Jan. 1, 2024, must file an initial BOI report by Jan. 1, 2025.
- *New Reporting Companies* – A Reporting Company formed or registered on or after Jan. 1, 2024, but before Jan. 1, 2025, must file an initial BOI report within 90 days of formation or registration. A Reporting Company formed or registered on or after Jan. 1, 2025, must file an initial BOI report within 30 days of formation or registration.
- *Updated/Corrected BOI Reports* – A Reporting Company must submit updated/corrected BOI reports within 30 days of (i) any change to the information previously reported in the BOI report regarding the Reporting Company or its Beneficial Owners; or (ii) becoming aware (or having reason to know) of an inaccuracy regarding the information previously reported in the BOI report.[4]

BOI Reports.

Reporting Companies can prepare and submit an initial BOI report by either uploading a PDF version of it or completing it online. BOI Reports can be filed, updated or corrected through FinCEN's BOI E-Filing system, which is accessible here: <https://boiefiling.fincen.gov/>. The PDF version of the BOI report can be downloaded, saved periodically as it is being completed and then uploaded to the BOI E-Filing System once finalized. [5] The online version of the BOI report can be prepared and submitted directly in the BOI E-Filing System.[6] Regardless of the filing option chosen, a BOI report transcript evidencing submission of the BOI report can be downloaded by the filer for recordkeeping purposes.

FinCEN Identifier Applications.

FinCEN Identifier applications can be filed, updated or corrected through a separate FinCEN webpage, which is accessible here: <https://fincenid.fincen.gov/landing>. [7] FinCEN Identifier applications may only be submitted online, and cannot be submitted via a PDF upload. In order to access the FinCEN webpage providing access to the FinCEN Identifier application, individuals must first sign in or create an account with "Login.Gov" and provide the required information. Obtaining a FinCEN Identifier is optional.

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If you have any questions concerning this *Alert*, please contact your attorney at Schulte Roth & Zabel or one of the authors.

[1] Financial Crimes Enforcement Network, Beneficial Ownership Information Reporting Requirements, 87 Fed. Reg. 59,498 (Sept. 30, 2022), available [here](#).

[2] For more information regarding the CTA and AML Act generally, please see our prior *Alert* “Passage of Anti-Money Laundering Act of 2020 Includes Comprehensive BSA/AML Reform Measures.”

[3] A FinCEN Identifier is a unique identifying number that FinCEN will issue to a Reporting Company or individual, such as a Beneficial Owner or individuals involved in the Reporting Company’s formation and/or registration to do business in the US (“Company Applicant”), which may be provided to FinCEN in lieu of the identifying information required of the Reporting Company or individual on a BOI report. Please see our prior *Alerts* on the BOI Rule and BOI report filing obligations linked herein for further information on who is considered a Beneficial Owner or Company Applicant.

[4] Reporting Companies are not required to update previously reported information about their Company Applicants, but are required to correct any inaccurate information previously reported about their Company Applicants.

[5] The PDF version of the BOI report form can be downloaded by selecting “Prepare BOIR” [here](#).

[6] The online version of the BOI report form can be accessed [here](#).

[7] Reporting Companies can obtain a FinCEN Identifier by checking a box on their BOI report.

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