



BOI Frequently Asked Questions

What is the Corporate Transparency Act?

The Corporate Transparency Act (the “CTA”) was enacted by Congress in January 2021 and its primary purpose is to prevent money laundering and other illicit activities by requiring companies formed or registered in the United States to disclose the names of the individuals who own or control the entity. The CTA requires entities to file a beneficial ownership information report with The Financial Crimes Enforcement Network (“FinCEN”), a division of the Treasury Department.

Who is a beneficial owner?

A beneficial owner is an individual who, directly or indirectly, exercises substantial control over the entity or owns or controls not less than 25 percent of the ownership interests of the entity. There are a few exceptions, such as the minor children of a beneficial owner or a person that is solely an employee of the reporting company.

What information must a beneficial owner provide?

1. Full legal name.
2. Date of birth.
3. Current, as of the date of report, residential street address *must be physical address.
4. Unique identifying number from an acceptable identification document defined as: (i) a non-expired U.S. passport; (ii) a non-expired identification document issued by a state, local government, or Indian tribe; (iii) a non-expired driver’s license issued by a state; or (iv) if the individual lacks all of the foregoing documents, a non-expired foreign passport.
5. Image of document the unique identifying number came from.

How do I provide the beneficial ownership to FinCEN?

A&C Corporate Services will file the information for you using the FinCEN portal.

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What is a company applicant?

Company applicant is defined as the following 2 persons:

- An individual who directly files the document that creates the entity, or in the case of a foreign reporting company, the document that first registers the entity to do business in the United States.
- An individual who is primarily responsible for directing or controlling the filing of the relevant document by another.

What information does a company applicant need to provide?

1. Full legal name
2. Date of birth
3. Current, as of the date of report, residential or business street address *must be physical address.
4. Unique identifying number from an acceptable identification document defined as: (i) a non-expired U.S. passport; (ii) a non-expired identification document issued by a state, local government, or Indian tribe; (iii) a non-expired driver's license issued by a state; or (iv) if the individual lacks all of the foregoing documents, a non-expired foreign passport.
5. Image of document the unique identifying number came from.

What information is a reporting company required to provide?

1. The full legal name
2. Any trade or "doing business as" names,
3. A complete current address consisting of: (i) in the case of a reporting company with a principal place of business in the United States, the street address of the principal place of business, and (ii) in all other cases, the street address of the primary location in the United States where the reporting company conducts business, *must be physical address
4. The state, tribal or foreign jurisdiction of formation,
5. A foreign reporting company, the state or tribal jurisdiction where the company first registers, and
6. An IRS Taxpayer Identification Number (TIN) (including an Employer Identification Number) or where a foreign reporting company has not been issued a TIN, a tax identification number issued by a foreign jurisdiction and the name of that jurisdiction.

What happens if I provide incorrect information to FinCEN?

If someone sends information that is incorrect or not up to date, there is a safe harbor up to 90 days if the correct information is sent in.

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What immediate action should I take?

Call your A&C Corporate Services Representative to discuss how to proceed.

Is the beneficial owner information available to the public?

Beneficial owner information is confidential and not available to the public. Government employees, officers and financial employees will not be able to access the information. To learn more, [click here](#).

What are the penalties?

1. \$500 per day civil penalty
2. \$10,000 fine or 2 years imprisonment
3. 90-day Safe harbor

Are there any exemptions entities?

The final rule has 23 exemptions [click here](#) to see the full list—scroll to section C.2 of the page.

Is there a report required for each state our company is registered?

A reporting company created or registered to do business before January 1, 2024, will have until January 1, 2025, to file its initial beneficial ownership information report.

A reporting company created or registered on or after January 1, 2024, will have 90 days to file its initial beneficial ownership information report. This 90-day deadline runs from the time the company receives actual notice that its creation or registration is effective, or after a secretary of state or similar office first provides public notice of its creation or registration, whichever is earlier.

Once this requirement has been met the reporting company will only need to submit an updated report to FinCEN if any of the previously reported information (with the exception of the company applicant information) changes.

Examples: Beneficial owner changes name and or address or entity changes name, domestic state, entity type, etc.

There is no requirement to file a new report each time a company registers in a new state.

Does CTA apply to all entities or only corporations?

Any entity deemed as a “reporting companies”—will be required to report their beneficial ownership information to FinCEN. There are two types of reporting companies—domestic reporting companies and foreign reporting companies.

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A domestic reporting company is defined as -

1. a corporation,
2. a limited liability company, or
3. any other entity created by the filing of a document with a secretary of state or any similar office under the law of a state or Indian tribe.

A foreign reporting company is any entity that is -

4. a corporation, limited liability company, or other entity formed under the law of a foreign country, AND
5. registered to do business in any U.S. state or in any Tribal jurisdiction, by the filing of a document with a secretary of state or any similar office under the law of a U.S. state or Indian tribe.

If you had to file a document with a state or Indian Tribal-level office such as a secretary of state to create your company, or to register it to do business if it is a foreign company, then your company is a reporting company, unless an exemption applies.

Are S corporations required to report the BOI?

Same as above—the requirement to report is not associated with the entity's tax status but rather, whether or not they meet the definition of a reporting company.

Can the BOI also be the company applicant?

Yes, it is possible that a BOI can also be considered a company applicant if they fit the requirement/description of a company applicant.

There can be up to two individuals who qualify as company applicants:

1. the individual who directly files the document that creates, or first registers, the reporting company; and
2. the individual that is primarily responsible for directing or controlling the filing of the relevant document.

No reporting company will have more than two company applicants. If only one person was involved in filing the relevant document, then only that person should be reported as a company applicant.

Only reporting companies formed or registered on or after January 1, 2024, will have to report their company applicants. Companies created or registered before January 1, 2024, do not have to report their company applicants.

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Do Third Party Organizers (such as attorneys/law firms/resident agent) have to be the ones to provide their own identification when applying for an entity? And our personal information is now tied to that entity?

If that individual is the one who either directs the filing or directly submits the filing then yes, they would need to provide the required information for a company applicant to the reporting company to be included on the BOI Report.

For each individual who is a beneficial owner or a company applicant, a reporting company will have to report:

1. The individual's name, date of birth, and address.
2. A unique identifying number from an acceptable identification document; and
3. The name of the state or jurisdiction that issued the identification document.

Address:

For a beneficial owner, the reporting company must report the residential street address.

For a company applicant, the reporting company must report the individual's residential street address. However, if an individual engages in the business of corporate formation (e.g., as an attorney or corporate formation agent) and files the formation or registration document in the course of that business, then the reporting company must report the current street address of the company applicant's business.

Identification Documents: The list below sets out the forms of acceptable identification documents:

4. A non-expired driver's license issued by a U.S. state. A "U.S. state" means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and any other commonwealth, territory, or possession of the United States.
5. A non-expired identification document issued by a U.S. state or local government, or Indian Tribe that is issued for the purpose of identifying the individual. For example, a non-driver identification card issued by a state Department of Motor Vehicles would qualify because it is issued for identification purposes.
6. A non-expired passport issued by the U.S. government; or
7. If the individual does not have any of the three forms of identification document described above, the reporting company may provide the identifying number from a non-expired passport issued by a foreign government.

In addition, the reporting company must submit an image of the identification document associated with the unique identifying number reported to FinCEN.

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Are BOI files FINCEN publicly available?

No. The Corporate Transparency Act authorizes FinCEN to disclose beneficial ownership information in certain circumstances to six types of requesters:

1. U.S. Federal agencies engaged in national security, intelligence, and law enforcement activities;
2. State, local, and Tribal law enforcement agencies with court authorization;
3. The U.S. Department of the Treasury;
4. Financial institutions using beneficial ownership information to conduct legally required customer due diligence, provided the financial institutions have their customer consent to retrieve the information;
5. Federal and state regulators assessing financial institutions for compliance with legally required customer due diligence obligations; and
6. Foreign law enforcement agencies and certain other foreign authorities who submit qualifying requests for the information through a U.S. Federal agency.

The Corporate Transparency Act imposes stringent access requirements and safeguards on each group of requesters. [Click here](#) to read more.

How can A&C help?

A&C has built a secure online portal EAKAV to assist with the reporting requirement. Contact us today at 561-948-1833 or via email at BOI@accorpservices.com

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