

Re: Mandatory Beneficial Ownership Information Report (BOIR)

The United States Corporate Transparency Act went into effect on January 1, 2024. A critical part of this legislation is the requirement for effectively ALL US entities, including corporations and limited liability companies, to file a Beneficial Ownership Information Report (BOIR). The BOIR identifies any individual who, directly or indirectly “exercises substantial control over a reporting company” OR “Owns or controls at least 25 percent of the ownership interests of a reporting company.” Reporting companies are not required to report the reason (i.e., substantial control or ownership interests) that an individual is a beneficial owner. A reporting company can have multiple beneficial owners. The BOIR only needs to be filed once, and updated only if the Beneficial Owner(s) changes.

The information gathered by the BOIR will be gathered by the Federal Financial Crimes Enforcement Network (FinCEN) and maintained in a confidential database not available for public access. All BOI Reports for existing companies are due by January 1, 2025 and any entity that fails to file its BOIR by that date is subject to a daily penalty of \$500. As of January 1, 2024, all new companies are required to file the BOIR when the company is organized or incorporated. The BOIR may be amended or corrected at any time.

The BOIR must be filled out and submitted online – printed submissions will not be processed by FinCEN. In addition, each Beneficial Owner is required to identify their legal name, address, and also provide a form of identification (Passport or Drivers’ License) and upload an image of that document. Because of this, we are recommending that each of our clients submit the BOIR directly at: <https://boiefiling.fincen.gov/fileboir> We ask that each client send us a copy of their submitted BOIR so that we can keep one in our files.

Any existing companies will be able to skip Part II of the application, while any companies organized after January 1, 2024 will be required to complete this section. You will not need a FinCEN identifying number.

We understand that this is an additional burden on our business clients and we are reviewing the law and current procedures to determine both best practices for submitting the BOIR as well as keeping abreast of any changes to the law or procedures from FinCEN. We understand that many clients will object to providing this type of information and we are working to determine whether any exceptions will be made available, but at the present time the only valid exemption from Ownership Reporting appears to be if a company is owned or controlled entirely by a separate entity – in which case the controlling entity must still file a BOIR. We are also closely monitoring the protection and maintenance of the FinCEN database to ensure that the promise of ‘no public disclosure’ is maintained.

Should you have any questions as you complete the BOIR, please do not hesitate to contact us. As this is a new federal government initiative, we fully expect myriad issues, bugs, and errors. We expect that filing the BOIR will require approximately 30 minutes, depending on the number of Beneficial Owners. If you would prefer to schedule an appointment to come to our office to file your BOIR (Note - all Beneficial Owners and their Identifying Documents will need to be present for these appointments), we are offering our services for filing the BOIR for \$400 per entity (This service is included for our retainer clients). We believe that the majority of our clients will be able to complete the BOIR on their own without our assistance, however.

Very truly yours,

A handwritten signature in black ink, appearing to read 'MLE', with a stylized flourish at the end.

Michael L. Einterz  
[mike@einterzlaw.com](mailto:mike@einterzlaw.com)