



Beneficial Ownership Information Reporting

BOI Reporting and Deadlines: What Startup Companies Need to Know

Overview of the Corporate Transparency Act

A little-known legislative provision passed in early 2021 is imposing a widespread information reporting requirement on a significant number of US-based and inbound foreign entities. The Corporate Transparency Act (CTA) was passed in January of 2021 as part of the National Defense Authorization Act of 2021 (NDAA). The CTA provision of the NDAA represents an anti-money laundering initiative by requiring entities with the potential to be considered anonymous shell companies to report beneficial ownership information (BOI).

Does Your Startup Company Need to Report?

Under the terms of the CTA, any legal entity, including domestic corporations, limited liability companies, limited partnerships, single member LLCs, must file reports of beneficial ownership with FinCEN. A beneficial owner directly or indirectly exercises substantial control of the reporting company or controls at least 25% of the ownership interests of the reporting company. The CTA rules contain a list of 23 entities that are exempt from the reporting requirements.

Beneficial Ownership Information Report Deadlines

An important deadline for U.S. companies to report information on their beneficial owners to the Financial Crimes Enforcement Network (FinCEN) is fast approaching.

Companies that are required to comply (“reporting companies”) must file their initial reports by the following deadlines:

- **Existing companies:** Reporting companies created or registered to do business in the United States before January 1, 2024, must file by January 1, 2025.
- **Newly created or registered companies:** Reporting companies created or registered to do business in the United States in 2024 have 90 calendar days to file after receiving actual or public notice that their company’s creation or registration is effective. The reporting deadline is currently scheduled to drop to 30 days after notice of creation for entities created after January 1, 2025.

Beneficial ownership information reporting is not an annual requirement. A report only needs to be submitted once, unless the filer needs to update or correct information.

Note: In most situations, reporting businesses will be able to simply [file a BOI report online](#) through FinCEN without the need for an accountant, attorney, or others to file reports on companies’ behalf.



Why is BOI reporting still required if the CTA was ruled unconstitutional?

In March 2024, a **federal district court in Alabama ruled the Corporate Transparency Act (CTA) unconstitutional**. As a result, FinCEN will not enforce the BOI reporting requirement solely on account of the plaintiffs (65,000 members of the National Small Business Association). This limited injunction means that BOI reporting remains a requirement for all other applicable reporting entities and as such FinCEN is continuing to implement the CTA. The federal district court decision has been appealed by the U.S. Department of Justice, and until a final court decision is made, **reporting companies should comply with current BOI reporting requirements**.

FinCEN Resources

FinCEN has prepared a variety of resources to help businesses meet BOI compliance requirements and is actively engaging in an outreach and education campaign to raise awareness of the compliance requirements. Review the links below for additional information, updates, and E-filing options.

- [FinCEN Virtual Info Session on Beneficial Ownership Reporting](#) | September 25, 2024
- [FinCEN FAQs](#)
- [BOI E-Filing System](#)
- [Subscribe for FinCEN updates](#)

Questions Specific to Your Startup?

If your business has additional concerns or questions regarding BOI compliance, we recommend contacting your legal counsel for assistance.