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Beneficial Ownership Information Reporting (“BOIR”)

Beginning in January 2024, many companies in the US will be required to report information about their “**beneficial owners**”, i.e. the individuals who ultimately own and/or control the company. The required information must be reported to the Financial Crimes Enforcement Network (FinCEN), which is a bureau of the Treasury Department.

A **Beneficial Owner** is defined as a person or entity that has **no less than 25% ownership** of the reporting entity. However, a person (or entity) with **substantial control** over the reporting business entity is also considered to be a Beneficial Owner for reporting purposes. Reporting is required for each Beneficial Owner of the reporting company. You can go to <http://www.fincen.gov/boi-faqs> for a complete guide.

Your company may be required to report the Beneficial Ownership Information (“BOI”) if your company is a:

- **Corporation**
- **Limited Liability Company (LLC)**
- **An entity created within the US by filing documents with the Sec. of State**
- **Foreign company registered to do business in the US.**

There are many exceptions from having to file the BOIR with FinCEN, including publicly traded companies, nonprofits, and certain large operating companies. However, most small entities **MUST** file their BOI no later than December 31, 2024.

Reporting companies must report via the FinCEN website: www.fincen.gov/boi

Reporting begins on January 1, 2024. Business entities that existed prior to that date **have until January 1, 2025; the deadline to file their BOI report.** If your business entity was created after January 1, 2024, you must file your BOI report within 90 days of receiving public notice that its creation is effective. Entities created after January 1, 2025, have but 30 days to complete their BOI filing. Corrections, additions, and changes to your BOIR must be completed within 30 days.

Penalties for failure to file a timely BOIR (or filing a fraudulent BOIR) are extreme. \$500/day for failure to file a timely report, and criminal penalties for fraudulent filings.

You will need to have your business entity’s EIN (Employer ID Number) available, along with a PDF copy of your Driver’s License, or Passport, when completing your reporting online. The total time it should take you to complete the reporting process is less than 10 minutes. Once completed, you should not have to file a BOIR again, unless you have a change in BOIR information to report (including new Beneficial Owners, or a change of address).