# Business Owner Alert: File BOI Report Before Year End



**Craig Cockrell**
ccockrell@mwlaw.com
(479) 464.5683

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As you may be aware, the Corporate Transparency Act (the "CTA") requires most private U.S. legal entities to file a Beneficial Ownership Information ("BOI") report with the Financial Crimes Enforcement Network, or "FinCEN," a part of the Department of Treasury. For entities formed before January 1, 2024, the deadline to file an initial BOI report—December 31, 2024—is quickly approaching.

This filing requirement applies to most private businesses formed or registered to do business in the U.S. It does not apply to sole proprietorships, general partnerships, or most types of trusts. Most regulated businesses are also exempt from the CTA's reporting requirements, including publicly traded companies, banks, insurance companies, governmental entities, charitable organizations, investment advisors, and certain large operating companies. A list of the exemptions can be found in our previous article about the CTA.

The BOI report must contain identifying information for the reporting company and each of its "beneficial owners." A beneficial owner is an individual who, directly or indirectly, exercises substantial control over an entity or owns or controls at least 25% of the ownership interest of the entity. Note that the CTA requires the identification of people, not other entities or trusts, as beneficial owners.

Individuals who willfully fail to comply with the BOI reporting requirements by the December 31, 2024, deadline may be subject to civil and criminal penalties.

*Craig Cockrell is an experienced business attorney who represents private businesses in transactions and related tax matters.*