



Beneficial Ownership Information Reporting Requirements

First National Bank wishes to remind its business customers of the federal reporting requirements outlined in the Corporate Transparency Act (“CTA”). The CTA requires certain entities formed or registered with a state secretary of state (or similar office) to report their Beneficial Ownership Information (“BOI”) to the federal government via the Financial Crimes Enforcement Network (“FinCEN”), absent an exemption. The deadline for most entities is January 1, 2025.

Who must file?

Most “for profit” corporations, limited liability companies (LLCs), limited partnerships (LPs), limited liability partnerships (LLPs), and other similar entities formed or registered with a state secretary of state (or similar office) are considered “reporting companies” under the CTA and are required to file the BOI reports.

The BOI reporting exemptions mostly cover non-profit entities or companies already heavily regulated by the federal government, such as large public companies, public accounting firms, insurance companies, banks, and other financial services firms. Most small businesses will qualify as “reporting companies” and have a BOI reporting obligation under the CTA.

Important filing deadlines

- Entities formed or registered to do business in the U.S. before January 1, 2024, must file their initial reports with FinCEN on or before January 1, 2025.
- Entities formed or registered between January 1, 2024, and December 31, 2024, must file their initial reports within 90 calendar days of formation.
- Entities formed or registered on or after January 1, 2025, must file their initial reports within 30 calendar days of formation.
- Reports are to be filed electronically through a secure system available through [FinCEN’s website](#).

What is a beneficial owner?

A beneficial owner is an individual who, whether directly or indirectly, exerts substantial authority over the reporting company, or holds or governs an ownership stake of at least 25% of the company.



What information must be reported?

The information to be reported about the reporting company includes:

- Legal name, trade name and “doing business as” name
- Current U.S. address of the principal place of business, state of jurisdiction where formed (for domestic reporting companies) or where it was first registered to do business in U.S. (for foreign reporting companies)
- Tax identification number (employer identification number or EIN).

The information about the person filing for the reporting company (the “Company Applicant”) and the beneficial owners must be reported as well, which includes:

- First and last name
- Date of birth
- Current address (residential or business)
- Current passport or state ID or driver’s license number
- A copy of whatever document is used for identification purposes (Passport and/or state ID or driver’s license) must also be attached.



Penalties for non-compliance

The willful failure to report information and timely update any changed information can result in fines of up to \$500 per day, or if criminal charges are brought, fines of up to \$10,000 and or imprisonment.

These penalties can be imposed against the beneficial owner and/or against the entity.

When does a BOI Report need to be updated?

BOI Reports need to be updated on two different occasions:

1. **A change of information.** Any information that has been submitted in a previous form needs to be changed if it is no longer correct. This includes information about the declared beneficial owners as well as all the information given about them, such as names, addresses, and ID numbers.
2. **If an error occurs in the information.** We all know that sometimes mistakes are made. If there is a typo or incorrect information, then a new report needs to be submitted.

In both cases, the new report must be submitted within 30 days.

Discuss with your accountant now.

It's important that you contact your accountant to discuss who should be treated as a beneficial owner within your business and what system can be put in place to ensure proper information reporting.

You can learn more about the Beneficial Ownership Information (BOI) reporting requirements on the [FinCEN website](#).

Fraud alert

FinCEN has been notified of fraudulent attempts to solicit information from individuals and entities who may be subject to reporting requirements under the Corporate Transparency Act. The fraudulent correspondence asks the recipient to click on a URL or to scan a QR code. Those e-mails are fraudulent. FinCEN does not send unsolicited requests. Please do not respond to these fraudulent messages or click on any links or scan any QR codes within them.

BOI questions?

If you, your staff or accountant have questions regarding Beneficial Ownership Information reporting, you can visit FinCEN's "[Frequently Asked Questions](#)" web page.

FinCEN also offers an [Education Toolkit](#) online, if you are seeking more information.

As a local Iowa resource, you can also contact America's SBDC-Iowa. Their staff are prepared to assist business owners with the BOI reporting requirements. For information about your local SBDC office, visit [Iowa SBDC website](#).

