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IMPORTANT INFORMATION PLEASE READ

Dear Lane & Company Client,

In 2021, Congress passed the Corporate Transparency Act (CTA) aimed at reducing money laundering. The Act went into effect on January 1, 2024. It requires businesses to file an online Beneficial Ownership Information (BOI) report.

BOI Reporting and Filing Dates

In general, any entity, domestic or foreign, created by filing a document with a secretary of state (or equivalent state office) will be required to file a BOI report. Unlike a lot of government requirements, BOI reporting targets small businesses.

If your business is a Limited Liability Company (LLC) or corporation, including a single member LLC, formed before January 1, 2024, you must fill out this online form for each entity no later than December 31, 2024. If you started a new business on or after January 1, 2024, you must report within 90 days of formation.

Importance of Reporting

Penalties for willful noncompliance may result in **civil penalties of \$500 per day until the violation is remedied, or if criminal charges are brought, fines of up to \$10,000 and/ or two years imprisonment.** BOI reports **will not be** filed with the IRS, but with the Financial Crimes Enforcement Network (FinCEN), another agency of the Department of Treasury.

Note that this BOI filing is **NOT a tax form** and will **NOT** be part of our year-end income tax services.

Next Steps

You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership and other information. You may find the BOI reporting requirements and/or complete the form online at <https://www.fincen.gov/boi>. You should consider consulting with legal counsel if you have questions regarding the applicability of the CTA's reporting requirements and issues surrounding the collection of relevant ownership and other information.

The BOI report contains confidential information; therefore, we strongly suggest that you do NOT use an unknown third-party solicitor to file the report.

Future requirements

If any of the reporting information changes from the initial filing, you **MUST** report the change within 30 days or face severe penalties. Additional information on this requirement can also be found at <https://www.fincen.gov/boi>.

If you have any questions about these new reporting rules, we would be happy to discuss them. We want to clarify that assisting businesses with the CTA and BOI reporting generally is **outside the scope of the services our firm offers.** FinCEN also has a Small Entity Compliance Guide and frequently asked questions to help guide businesses through the reporting requirements. These are available at <http://www.fincen.gov/boi/small-business-resources>.

Sincerely,

Lane & Company LLC