



Dear Client:

Starting January 1, 2024, a significant number of businesses will be required to comply with the Corporate Transparency Act ("CTA"). The CTA was enacted into law as part of the National Defense Act for Fiscal Year 2021. The CTA requires the disclosure of the beneficial ownership information (otherwise known as "BOI") of certain entities from people who own or control a company.

The CTA is not a part of the tax code. Instead, it is a part of the Bank Secrecy Act, a set of federal laws that require record-keeping and report filing on certain types of financial transactions. **We do not provide consulting services to meet these requirements, as our insurance carrier will not include this as a valid accounting service and it is possible that these services could be construed as practicing Law.**

Below is some preliminary information for you to consider as you approach the implementation period for this new reporting requirement. This information is meant to be general-only and should not be applied to your specific facts and circumstances without consultation with competent legal counsel and/or other retained professional adviser.

What entities are required to comply with the CTA's BOI reporting requirement?

Entities organized both in the U.S. and outside the U.S. may be subject to the CTA's reporting requirements. Domestic companies required to report include corporations, limited liability companies (LLCs) or any similar entity created by the filing of a document with a secretary of state or any similar office under the law of a state or Indian tribe.

Domestic entities that are not created by the filing of a document with a secretary of state or similar office are not required to report under the CTA.

Are there any exemptions from the filing requirements?

There are 23 categories of exemptions, please note these are not blanket exemptions and many of these entities are already heavily regulated by the government and thus already disclose their BOI to a government authority.

In addition, certain "large operating entities" are exempt from filing. To qualify for this exemption, the company must:

- a) Employ more than 20 people in the U.S.;
- b) Have reported gross revenue (or sales) of over \$5M on the prior year's tax return; **and**
- c) Be physically present in the U.S.

Who is a beneficial owner?

Any individual who, directly or indirectly, either:

- Exercises "substantial control" over a reporting company, or
- Owns or controls at least 25 percent of the ownership interests of a reporting company

An individual has substantial control of a reporting company if they direct, determine or exercise substantial influence over important decisions of the reporting company. This includes any senior officers of the reporting company, regardless of formal title or if they have no ownership interest in the reporting company. The detailed CTA [regulations](#) define the terms "substantial control" and "ownership interest" further.

When must companies file?

There are different filing timeframes depending on when an entity is registered/formed or if there is a change to the beneficial owner's information.

- New entities (created/registered in 2024) – must file within 90 days
- New entities (created/registered after 12/31/2024) – must file within 30 days
- Existing entities (created/registered before 1/1/2024) – must file by 1/1/2025
- Reporting companies that have changes to previously reported information or discover inaccuracies in previously filed reports – must file within 30 days

What sort of information is required to be reported?

Companies must report the following information: full name of the reporting company, any trade name or doing business as (DBA) name, business address, state or Tribal jurisdiction of formation, and an IRS taxpayer identification number (TIN).

Additionally, information on the beneficial owners of the entity and for newly created entities, the company applicants of the entity is required. This information includes – name, birthdate, address, and unique identifying number and issuing jurisdiction from an acceptable identification document (e.g., a driver's license or passport) and an image of such document.

Risk of non-compliance

Penalties for willfully not complying with the BOI reporting requirement can result in criminal and civil penalties of \$591 per day and up to \$10,000 with up to two years of jail time. For more information about the CTA, visit www.aicpa-cima.com/boi.

It is not within the scope of our engagement to assist you with the compliance of the CTA, including BOI reporting. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with the CTA.

On the following two pages we've provided a guide to assist you while using the FINCEN website. We strongly encourage you to reach out to legal counsel with expertise in this area as soon as possible to assist your organization with the steps you need to take to ensure compliance with the CTA, if applicable.

Please contact our office at (732) 240-7377 to discuss your business situation.

Sincerely,

Jump, Perry and Company, LLP

BENEFICIAL OWNERSHIP INFORMATION REPORT FILING

First create a FINCEN ID for *each* Beneficial Owner:

- Website: <https://fincenid.fincen.gov>
 - Need the BOI present to use their phone and authenticator app (authenticator app is not required)
 - Need a scan of the front and back of the person's ID/driver's license or passport
 - This will provide a FinCen ID for owner that can be used on all BOI filings for ease of completion
 - Save the FinCen number-print to pdf
 - The FinCen ID (w/o dashes) will be used on line 36

Go to FinCen website to start submission

Website: <https://fincen.gov/boi>

1. Select BOI e-filing "Get Started"
2. Under File PDF BOIR select "Prepare BOIR"
3. This will download a fillable BOI form

Complete form as follows:

1. Filing Information
 - a. Line 1 a. -check initial report
2. Part I
 - a. Check Line 3
 - b. Line 5 - company name
 - c. Line 7 select EIN
 - d. Line 8 enter EIN (no dashes)
 - e. Line 10 a - United States
 - f. Line 10 b - state formed (NJ?)
 - g. Line 11, 12, 13 14, 15 - business address
 - h. Line 16
 - i. If company was opened before 1/1/2024 check the box and the line 18-33 does not need to be entered. It will grey out.
 - ii. If it is a new company then do not check the box and add the information in Part II
3. Part II
 - a. The Company Applicant is the person who created and registered the company and if more than 1 person the individual responsible for directing or controlling the filing (max of 2)
 - b. Line 18 fill in FinCen ID obtained above (no dashes) of the Company Applicant
 - i. If there is more than one then hit the plus(+) sign to the right of the Part II heading
4. Part III
 - a. Line 36 fill in FinCen ID obtained above (no dashes) for each BOI
 - i. Who is a BOI is a technical definition and is explained on the FinCen website
 - b. Add additional BOI by hitting the plus(+) sign to the right of the Part III heading
 - c. No limit on the number of BOI

When BOI form is complete

1. Back to page 1 of the 4 page pdf
2. Click validate
3. Click finalize
4. Click save-save it as "name of company BOI date"
5. Click ready to file
 - a. This will take you to a website to upload the BOI form that was just saved on your local drive
 - b. Fill in email and information
 - c. Drag the saved BOI form named and saved on the local drive
 - d. Submit
6. Download the transcript and save as "Company name BOI transcript date"
 - a. Save both pdfs in a safe location

Multiple companies same BOI person(s)

1. Go back into original BOI pdf that was validated -It will still have the filename :Beneficial owner Information Report"
2. On page 1 line 3 click on "edit report"
3. The go to Part 1 line 5 and 8 and update for next company
4. Then follow instructions for "When BOI form is complete" above
5. Continue doing this until all companies are filed