

Beneficial Ownership Information Reporting - Best Practices

1. Identify all of the beneficial owners of the company
 - If a beneficial owner is another entity (another company or trust), do not report that entity, instead identify the beneficial owner(s) of that entity

Beneficial Owners. *Two groups of individuals are considered beneficial owners of a reporting company: (1) any individual who directly or indirectly owns or controls at least 25% of the ownership interests of the reporting company; or (2) any individual who exercises substantial control over the reporting company.*

Individuals with substantial control are those with substantial influence over important decisions about a reporting company's business, finances, and structure. Senior officers (president, CFO, general counsel, CEO, COO, and any other officer who performs a similar function) are automatically deemed to have substantial control, as are individuals with the authority to appoint or remove senior officers and board members. There is no requirement that these individuals have actual ownership in the company to be considered a beneficial owner for reporting purposes.

2. Request each beneficial owner acquire a Beneficial Owner FinCEN ID
 - Step-by-step instructions provided
3. Collect FinCEN IDs from all beneficial owners
4. Collect Company Applicant's FinCEN ID – **not required if reporting company existed prior to January 1, 2024**
5. File initial report online by December 31, 2024 or within 90 days of formation for reporting companies formed in 2024
 - Step-by-step instructions provided
6. Download transcript and save to a secure location

Update changes to reported information within 30 days to avoid compliance issues:

- **Beneficial Owners:**
 - Need to update their Beneficial Owner FinCEN ID if there are changes to their address or identifying documents.
- **Reporting Companies:**
 - Need to file an updated Beneficial Ownership Information Report if there are changes to the business address or any changes in beneficial owners.