
Beneficial Ownership Reporting is Here: What Energy Marketers Need to Know About These New Requirements



Meet your presenters



Sandra Feldman

Publications Attorney & BOI Expert



Lisa Poineau

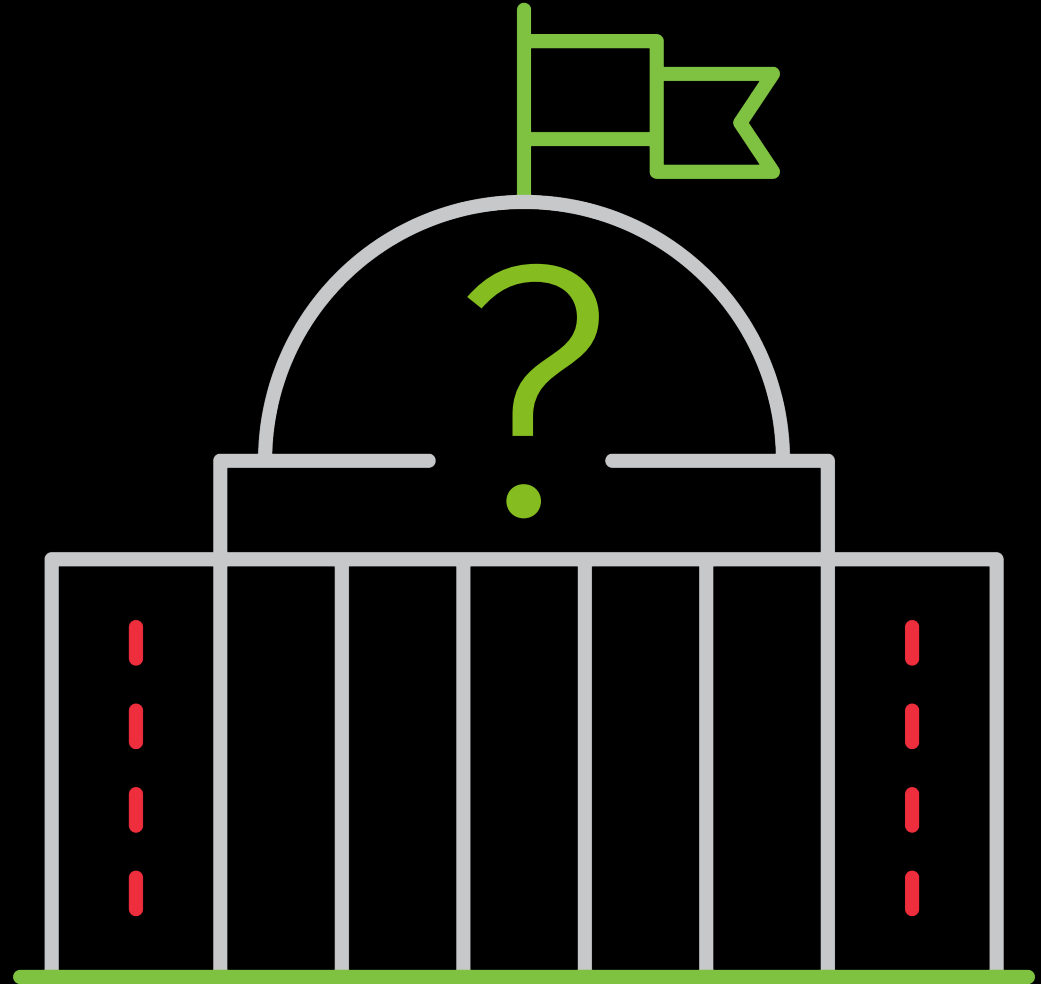
Associate Director of Program Management &
BOI Expert

Agenda

- Background on the CTA
- Who files a BOI report
- What information is reported
- When the initial report is filed
- When a report is updated or corrected
- Penalties
- Preparing to file
- Where and how reports are filed
- BizFilings BOI reporting solution demo

Why did Congress Pass the CTA?

- States do not collect beneficial owner information
- Malign actors conceal ownership to launder money, finance terrorism, other illicit activities
- Federal law providing for BOI collection needed to protect national security and counter money laundering



What is the Role of FinCEN?



CTA sets forth basic framework of reporting requirement

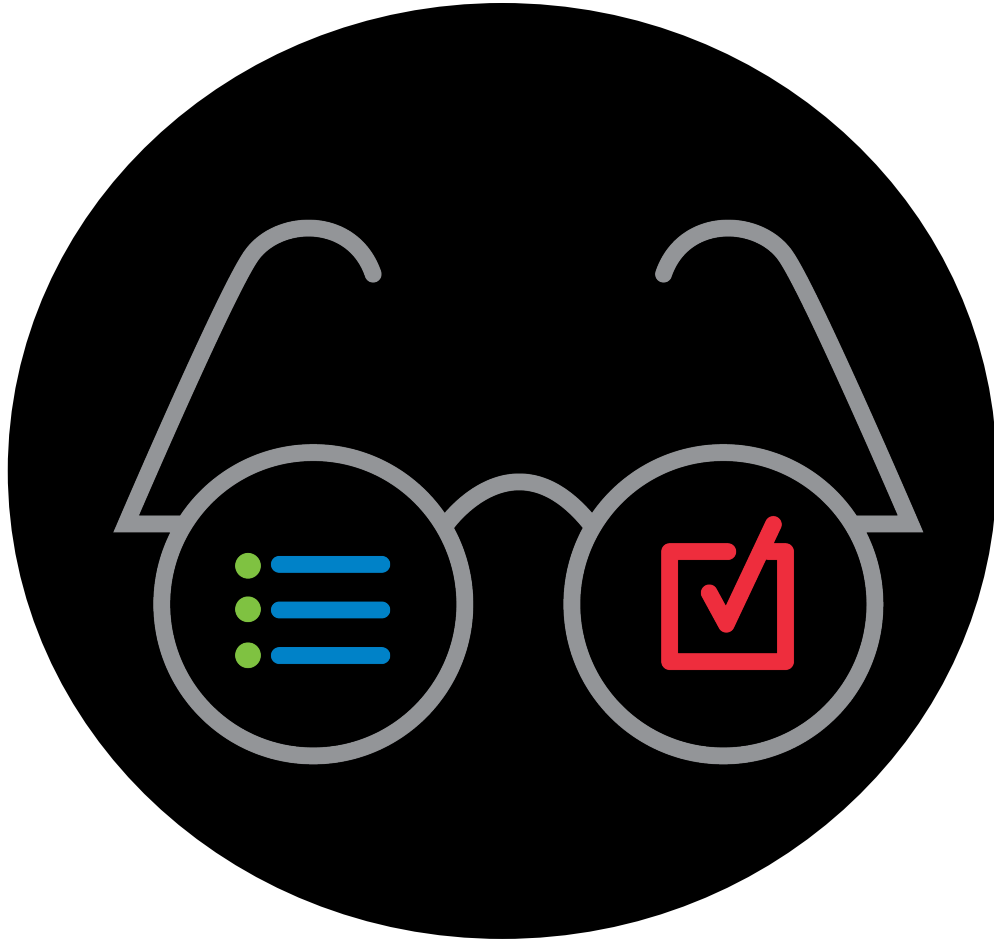
FinCEN wrote rule providing reporting details

BOI reports are filed with FinCEN

FinCEN maintains BOI registry

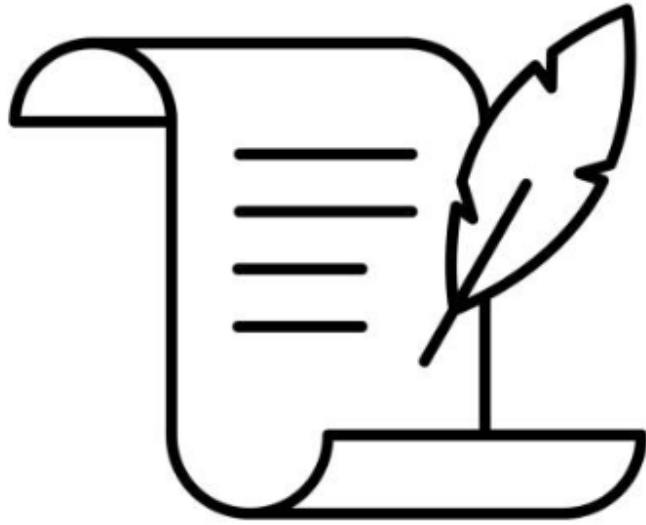
Only FinCEN is authorized to disclose BOI

Who has Access to BOI?



- No public access
- Federal, state, local, tribal governmental officials
- Foreign law enforcement officials
- Financial institutions
- Regulators of financial institutions
- Department of Treasury

NSBU v. Yellen



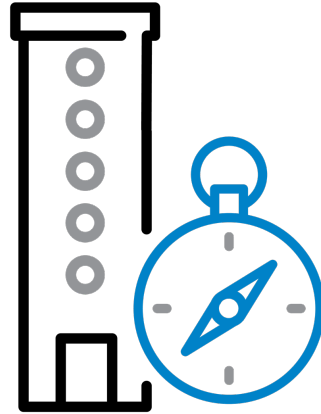
- Federal court in Alabama declares CTA unconstitutional, prohibiting enforcement against plaintiffs and only the plaintiffs
- Treasury has filed an appeal
- FinCEN will enforce CTA against all reporting companies except plaintiffs (NSBA members as of March 1, 2024)

Who Files a BOI Report? Reporting Companies Do



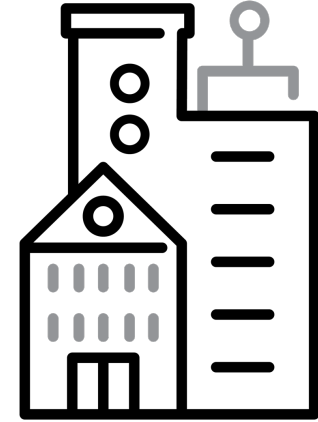
Domestic reporting companies

- Corporation, LLC, or other entity created by filing a document with a SOS (or similar office)
- Unless exempt



Foreign reporting companies

- Corporation, LLC, or other entity created under foreign law and registered in US by filing a document with a SOS (or similar office)
- Unless exempt



Can other entities be reporting companies?

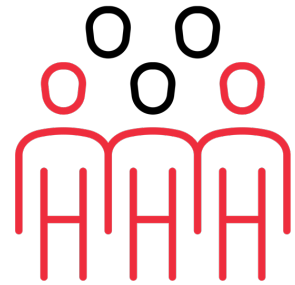
- Yes, if created/registered by filing a document with a SOS or similar office (and not exempt)
- No, if not created/registered by filing a document with a SOS or similar office

There are 23 Exemptions

- Securities reporting issuer
- Governmental authority
- Bank
- Credit union
- Depository institution holding co
- Money services business
- Securities broker/dealer
- Securities exchange or clearing agency
- Other Exchange Act registered entity
- Investment company/adviser
- Venture capital fund adviser
- Insurance company
- State licensed insurance producer
- Commodity Exchange Act registered entity
- Public accounting firms
- Public utility
- Tax exempt entities
- Financial market utility
- Pooled investment vehicle
- Tax exempt entity
- Entity assisting tax exempt entity
- Large operating company
- Subsidiary of certain exempt entities
- Inactive entity

What is a Large Operating Company?

More than
\$5 million in
gross receipts
or sales



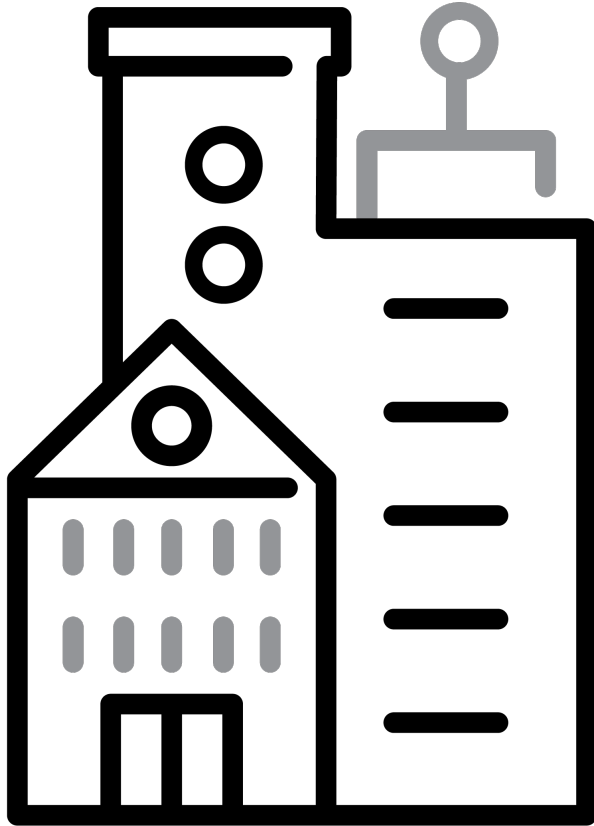
More than 20 full
time employees
in US



Operating
presence at
a physical
office in US

All three required

Subsidiaries of Certain Exempt Entities



- Subsidiary must be controlled or wholly owned by one or more exempt entities
- Except subsidiaries of money service business, pooled investment vehicle, entity assisting tax exempt entity, inactive entity
- Exemption lost if parent is no longer exempt or no longer wholly owns or controls ownership interests

What Information is Reported?

Information about the company

- Full legal name
- Any trade or dba name
- Street address of PPB
- Jurisdiction of formation
- Jurisdiction of first registration (foreign)
- IRS TIN

Information on all beneficial owners

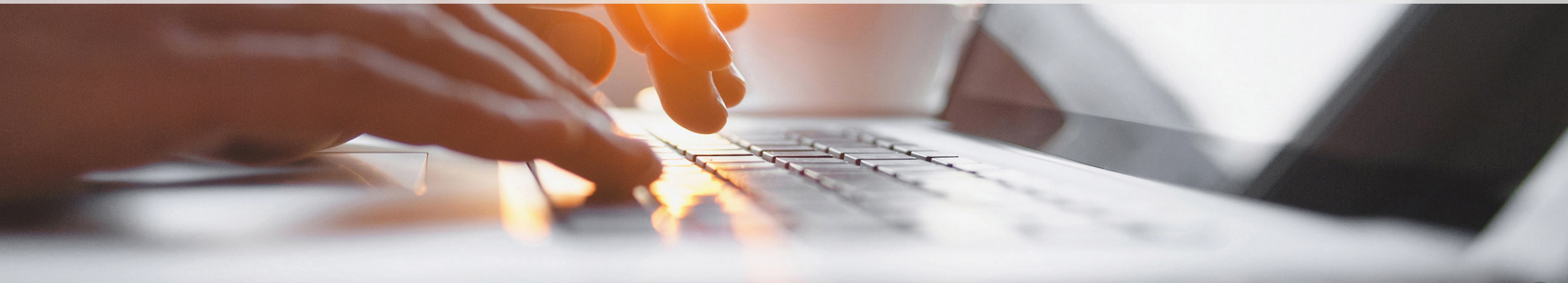
- Full legal name
- Date of birth
- Residential street address
- Unique ID number and issuing jurisdiction
 - Passport
 - State ID
 - Driver's license
- Image of document

Information on company applicants – reporting companies created/registered on or after January 1, 2024

- Same as beneficial owner except business address for some company applicants

What is the FinCEN Identifier?

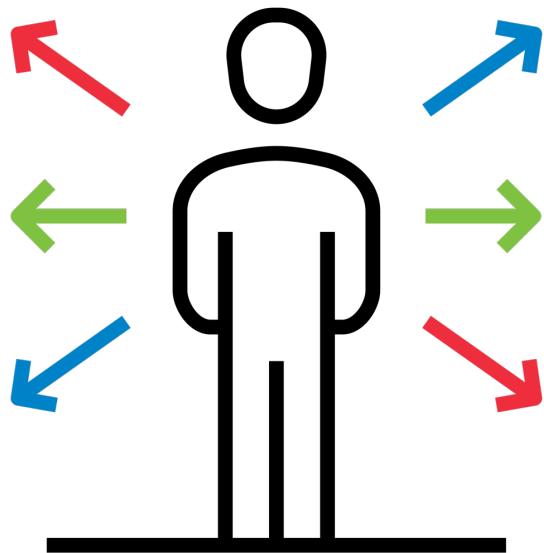
- Number specific to beneficial owner or company applicant
- Application filed with FinCEN
- Application contains personal information and document image
- Information must be updated or corrected with FinCEN within 30 days
- Updating continues even after individual is no longer a beneficial owner or applicant



Who is a Beneficial Owner?

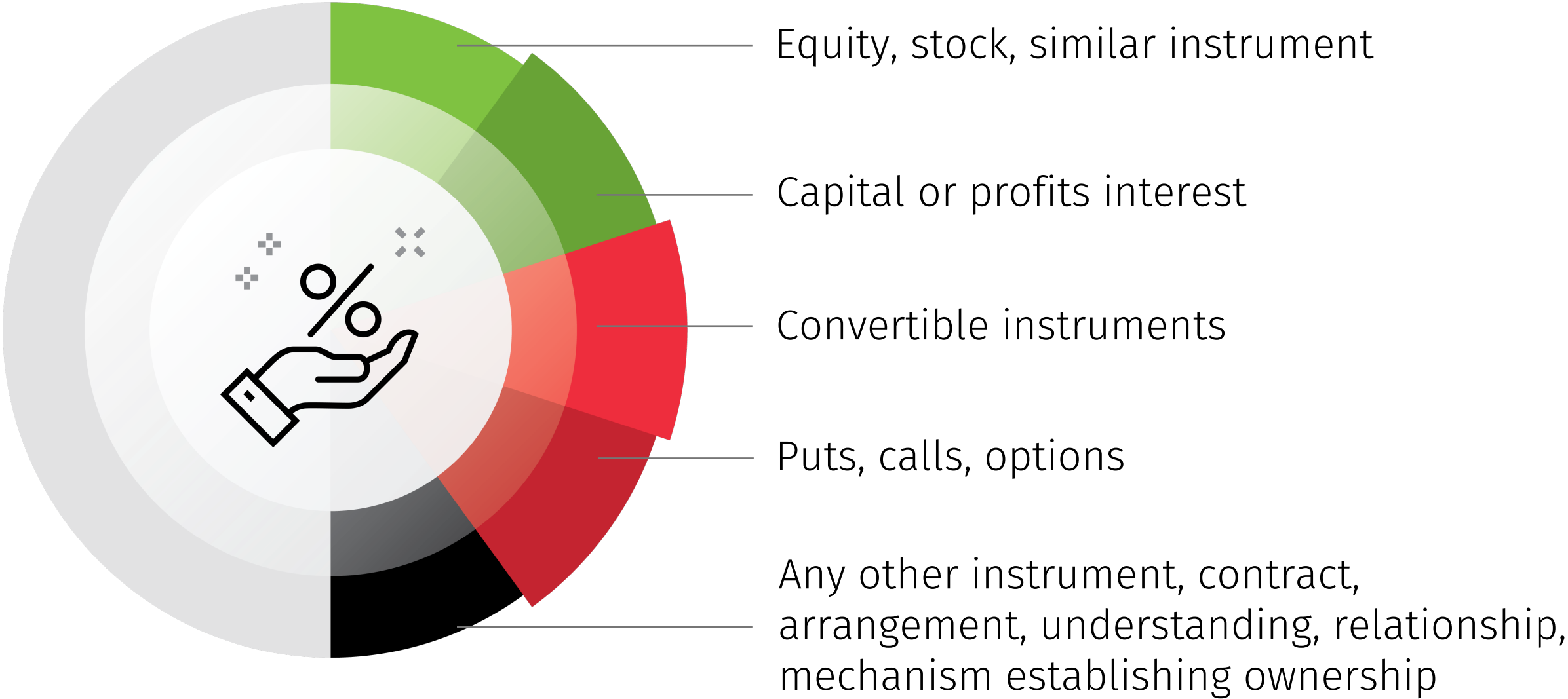
Any individual who, directly or indirectly, either exercises substantial control over a reporting company or owns or controls at least 25% of the ownership interests of a reporting company

Beneficial Owner: Substantial Control



- Serves as senior officer (Pres., CFO, GC, CEO, COO)
- Authorized to appoint or remove senior officers or majority of board
- Directs, determines, influences important decisions
 - Sale, lease, mortgage of principal assets
 - Reorganization, dissolution, merger
 - Major expenditures
 - Selection or termination of business lines
 - Compensation, incentive programs for senior officers
 - Entering into or terminating contracts
 - Amending governance documents
- Any other form of substantial control

Beneficial Owner: Owns or Controls At least 25%



Beneficial Owner: Exceptions to Definition

Minor children (report parent/guardian)

Nominees, intermediaries, custodians, agents

Future inheritors

Employees (not senior officers)

Creditors

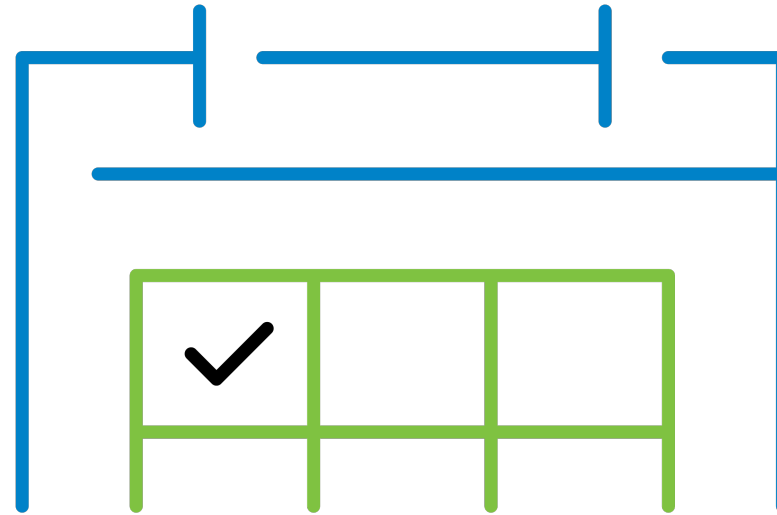


Who is a Company Applicant?

- Reporting companies created/registered on or after January 1, 2024
- Individual who directly files document creating or registering company
- Individual primarily responsible for directing or controlling filing (if applicable)
- May be 1 or 2 individuals, never more than 2



When is the Initial Report Due?



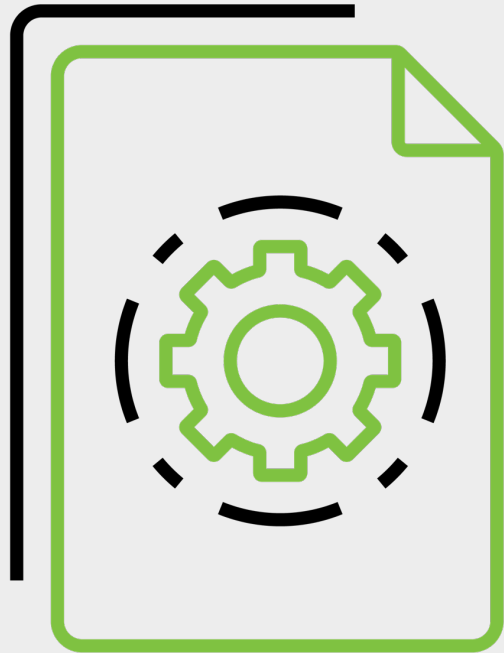
Created/registered before January 1, 2024 - File by January 1, 2025

Created/first registered in 2024 – File within 90 calendar days after receiving notice of creation

Created/first registered in 2025 & beyond – File within 30 calendar days after receiving notice of creation

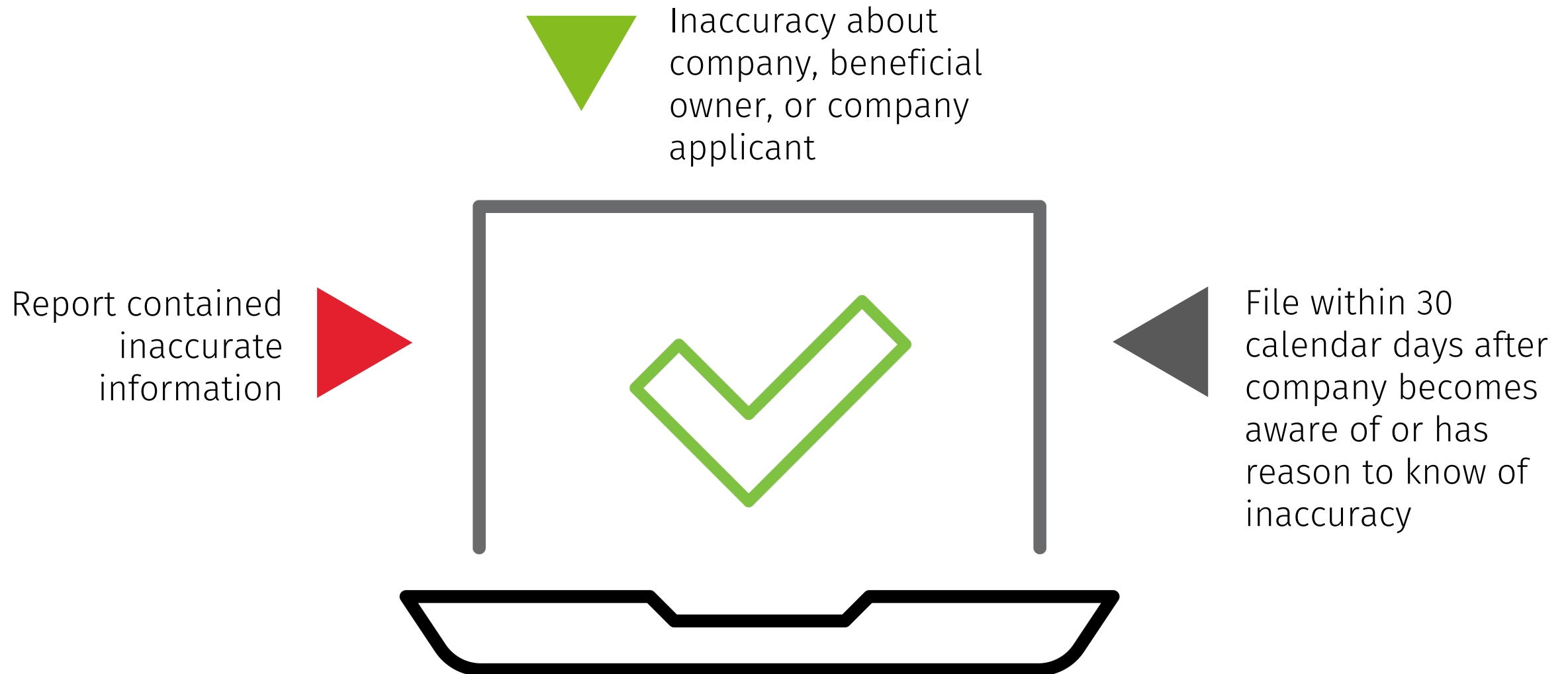
Once exempt but no longer – File within 30 calendar days after no longer qualifying

When do you Need to Update a BOI Report?



- Change in company information
- Change in beneficial owners
- Change in personal information reported for beneficial owner
- File within 30 calendar days after change occurs
- If reporting company qualifies for exemption after filing initial report, file update
- Company applicant information does not have to be updated

When do you Need to Submit a Corrected Report?



What are the Penalties?



- Civil penalty – up to \$591 per day the violation continues
- Criminal penalty – maximum \$10,000 fine, 2 years imprisonment, or both
- Violations – willfully failing to file complete, initial, updated, corrected BOI report; willfully filing false or fraudulent BOI
- Individuals and companies are subject to penalty

Preparing for BOI Reporting



- Is your entity a reporting company?
- Identify and inform beneficial owners
- Gather information to be reported
- Develop procedure for keeping track of reported information
- Protect personal information

Where & How is a BOI Report Filed?

- BOI reports are filed with FinCEN
- Submitted electronically
- No state filing
- No fee
- No annual filing
- Any authorized person can file
- Certification required
- File on FinCEN's website or use a third party service provider

File the Beneficial Ownership Information Report (BOIR)


Select the filing method that works best for you:



File PDF BOIR

- Adobe Reader is required
- Prepare report offline at your own pace, save as you go
- Reuse PDF BOIR when filing updates/corrections
- Download BOIR transcript upon submission

[Prepare BOIR](#) [Submit BOIR](#)




File Online BOIR

- Adobe Reader NOT required
- Prepare report online and submit now
- Prepare new Online BOIR when filing updates/corrections
- Download BOIR transcript upon submission

[Prepare & Submit BOIR](#)

FinCEN also offers system-to-system BOIR transmission via secure Application Programming Interface (API) for those, including third-party service providers, who are interested in automating the BOIR filing process:



System-to-System API

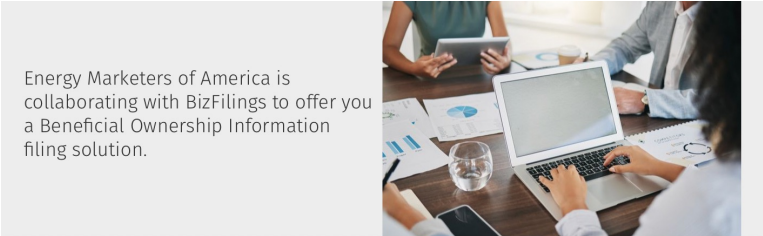
If you are interested in this method of filing, select the button below to contact FinCEN and one of our representatives will reach out.

[Contact FinCEN for API Information](#)

Thank you for joining our webinar! Enjoy these free BOI resources.

Resource Page

<https://www.wolterskluwer.com/en/know/boi-ema>



As of January 1, 2024, the Corporate Transparency Act is in effect. Small businesses are required to file Beneficial Ownership Information Reports with FinCEN.



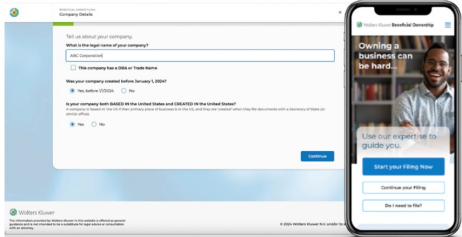
We can help you handle the new filing requirements with confidence and ease, no matter how many of your entities require BOI reports.

[Start Your BOI Filing Now →](#)

Enter EMA12 at checkout for 12% off your filing

BizFilings' Beneficial Ownership Information Report is Fast, Simple and Secure

- Optimized for small businesses
- Mobile-friendly interface that works just as well on smart phones, tablets and desktop
- Easy collaboration with beneficial owners in different locations
- Help desk staffed with BOI experts that can guide customers through the form



Beneficial Ownership Information Report Resources:



Do you need to file a BOI report?

[Take Our Quiz to Find Out →](#)



Top 5 Things Small Businesses Should Know About BOI From BizFilings

This video covers what is a beneficial owner, why this requirement exists, and more

Reporting Company Quiz

<https://ctc.wolterskluwer.com/bfi-boi-quiz?refcode=CT-EMA&refpromocode=EMA12>

Determine Beneficial Ownership Information filing status

Beneficial Ownership Information Reporting Quiz

The Corporate Transparency Act, effective January 1, 2024, is a new law requiring millions of companies to file a Beneficial Ownership Information (BOI) Report.

BOI non-compliance can result in **daily fines up to \$591 and jail time.**

Take this short quiz to understand if your business is subject to this reporting requirements. After answering a few quick questions, we'll provide your results* with no strings attached.

** Please note that this resource is offered as general guidance and is not intended to be a substitute for legal advice or consultation with an attorney*

Was your company formed in the United States, or is registered to do business in the U.S.?

Yes

No

[Next](#)