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NEW REPORTING REQUIREMENT

Beneficial Ownership Reporting Requirement *(as of 9/29/2023)*

Effective January 1, 2024, all nonpublic companies (i.e. entities formed under state law) are required to report information about the underlying owners and the individuals that control the entity (**Beneficial Owners***) to the Financial Crimes Enforcement Network (FinCEN).

**A beneficial owner is any individual who exercises substantial control (i.e. senior leaders, board of directors, and company decision makers) over the reporting company, or who owns or controls at least 25% of the reporting company.*

The following entities are exempt from reporting:

- Banks
- Credit unions
- Tax-exempt entities registered with the IRS
- Public utilities
- Publicly traded companies

Reporting companies will need to provide a few key pieces of information about itself, its beneficial owners, and in some cases the individuals that formed the entity.

Information to be Reported

Reporting Entity	Beneficial Owners
Legal name/DBA	Legal name
Address	Birthdate
Jurisdiction in which the entity was formed (i.e Minnesota)	Address (Most cases will be home address)
Federal Identification Number	Copies of state ID or passport

How To File

Reports will be filed electronically using FinCEN's secure filing system. The system is currently being developed and will be available on the FinCEN's website.

Filing Due Dates

- Entities created prior to January 1, 2024, need to file by December 31, 2024
- Entities created after December 31, 2023, need to file within 30 days after creation/registration

After an entity's initial filing, filing is only required after any ownership or control change. This filing must be completed within 30 days of the change.

Please reach out to your JAK advisor if you have further questions related to this requirement.

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