



Failure to submit new paperwork by the deadline of January 1, 2025, puts small business owners at risk for criminal penalties, imprisonment, and fines up to \$10,000.

Complying with the Corporate Transparency Act

# A Guide for Small Businesses

The Corporate Transparency Act (CTA), aimed at combating illicit financial activity, went into effect on January 1, 2021. Under the act, small businesses in the United States need to file beneficial ownership information reports (BOIR) with the Department of the Treasury by January 1, 2025.

## 1. Determine if your business needs to file a BOI Report

All businesses that fall under the definition of a reporting company must file a BOIR by January 1, 2025.

### What is a reporting company?

- A for-profit, privately held company registered to conduct business in the U.S.
- Has 20 or fewer employees or has \$5 million or less in gross sales or receipts.
- There are 23 exemptions. Find out if your business is exempt [here](#).

Note: Publicly traded companies and non-profits do not fall under the CTA, as they are subject to their own reporting requirements.

## 2. If your business needs to report, identify the beneficial owners

A beneficial owner is any individual who:

- Owns or controls at least 25% of an organization.
- Serves as a senior officer, such as a president, CEO, or general counsel.
- Has authority to appoint or remove senior officers, board members, or other similar roles.
- Makes important decisions concerning the company's business, finances, and/or structure.

### 3. Note your deadline to file

For most eligible small businesses, the deadline to file these reports is January 1, 2025.

Here are some exceptions:

- New companies created between Jan. 1, 2024 and Jan. 1, 2025 need to file within 90 days of formation.
- Companies formed after Jan. 1, 2025 will need to file within 30 days of formation.

Note: BOIR updates or corrections need to be filed within 30 days of the change.

### 4. Gather the required information

Eligible small businesses will need to report the following information about their companies:

- Full legal name
- Any trade names or “doing business as” names
- Current U.S. address
- Jurisdiction of formation
- Tax Identification Number (e.g., EIN)

Reports must also include the below information about any beneficial owners:

- Full legal name
- Date of birth
- Current address
- Unique identifying number from a valid government ID
- Image of the ID document

### 5. File your BOI Report

Reports must be filed with the Financial Crimes Enforcement Network (FinCEN), a bureau within the U.S. Department of Treasury.

- Go to FinCEN's BOI E-Filing website: <https://boiefiling.fincen.gov/>
- Choose to file online or upload a completed PDF form.
- Enter the required information for your company and beneficial owners.
- Upload images of identification documents.
- Review and submit your report.

### Additional Tips for Compliance

- Create a secure process for collecting and storing beneficial owner information.
- Stay informed about any changes in ownership or control of your company.
- Set reminders for filing deadlines and updates.
- Consider seeking legal advice if you're unsure about your reporting obligations.

### Additional BOIR Resources

- Read this article from CO— by the U.S. Chamber of Commerce: [How to File a Beneficial Ownership Information Report for Your Business.](#)
- Check the FinCEN's FAQ page: [FinCEN BOI FAQs](#)

## What is the Corporate Transparency Act?

The Corporate Transparency Act (CTA) was enacted on January 1, 2021, as part of the National Defense Authorization Act. The CTA included significant reforms to anti-money laundering laws and is intended to help prevent and combat money laundering, terrorist financing, corruption, and tax fraud.

There are several lawsuits challenging the constitutionality of the Corporate Transparency Act. Small businesses must still comply with the law unless a court has specifically ruled them exempt based on the court's decision.

The U.S. Chamber of Commerce is committed to providing information like this guide to help small businesses comply with the law and we are working to convince Congress and the Treasury Department to extend the deadline for one year due to the lack of awareness by small business owners of the CTA and its reporting requirements.

