



# Beneficial Ownership Information Reporting

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FARM CREDIT EAST

# Introductions



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# Agenda

- ❖ BOI Reporting Background
- ❖ Who Has to Report; Who is Exempt
- ❖ Identifying Beneficial Owners
- ❖ Filing and Timelines
- ❖ Question and Answer





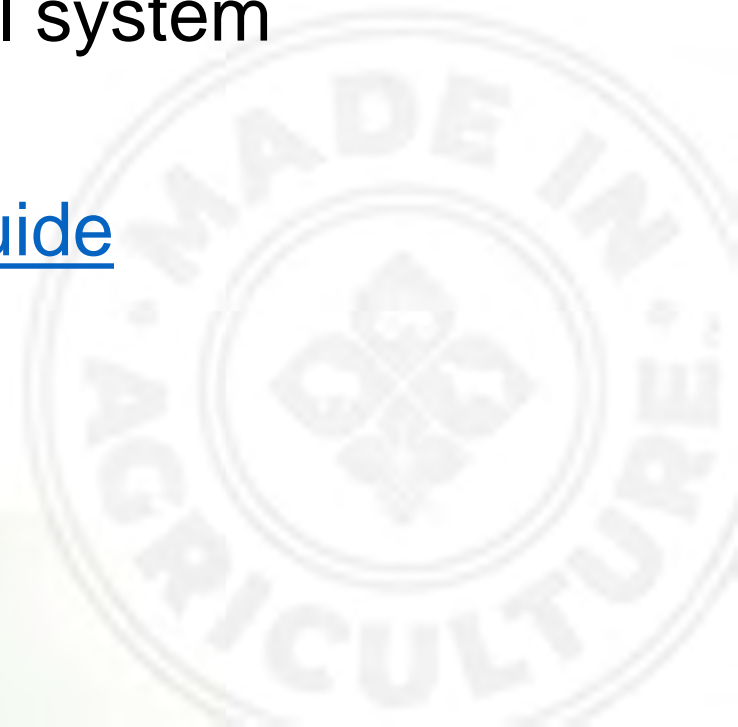
# BOI Reporting Background



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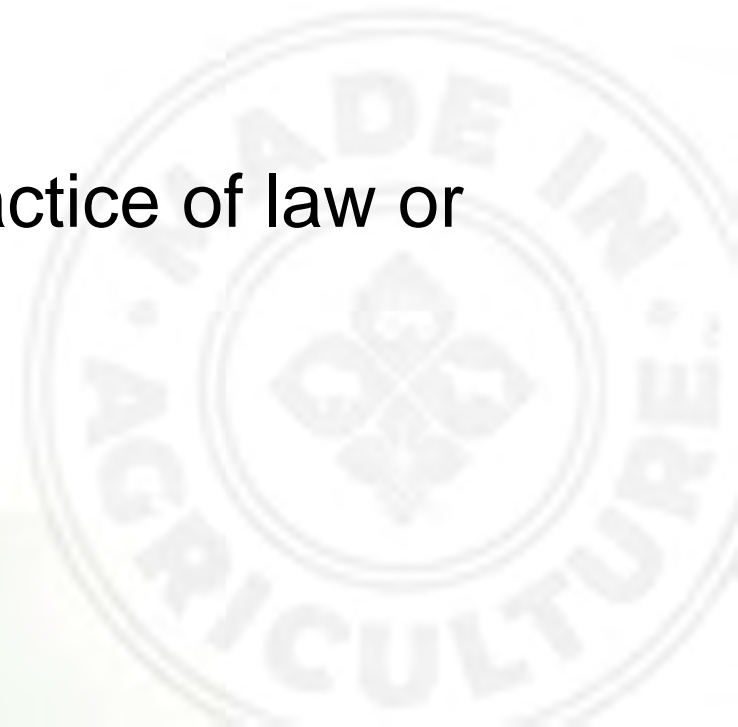
# Background

- ❖ Implemented under the Corporate Transparency Act
  - ❖ Effective 1/1/2024
- ❖ Facilitated by FinCEN: Financial Crimes Enforcement Network
- ❖ Aims to strengthen integrity of the U.S. financial system
  
- ❖ Resource: [FinCEN Small Entity Compliance Guide](#)



# Legal Landscape

- ❖ Federal District Court in the Northern District of Alabama ruled the CTA unconstitutional
- ❖ Ruling only applies to the named plaintiff and 65,000+ National Small Business Association members
- ❖ Uncertainty as to whether the filings are the practice of law or accounting





# Reporting Company



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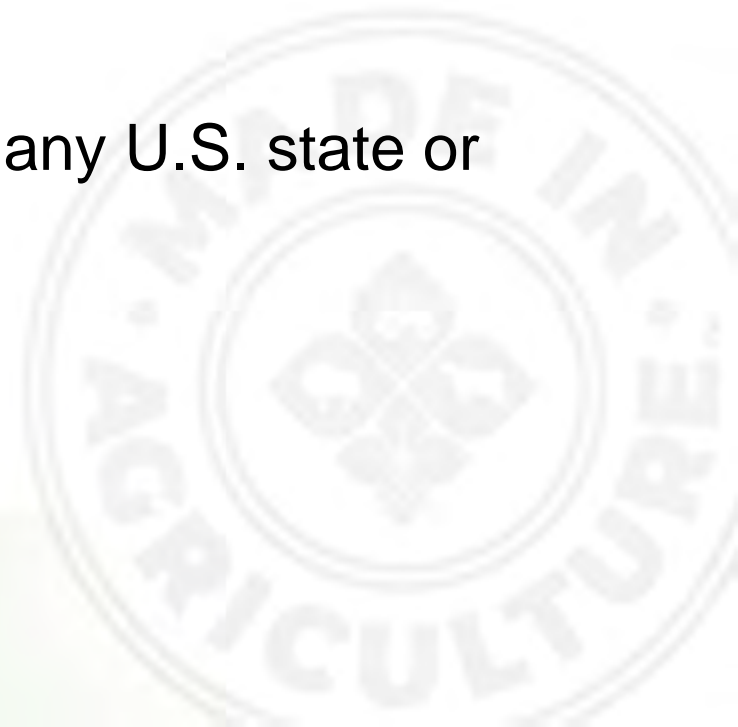
# Types of Reporting Companies

- ❖ Domestic Reporting Company

- ❖ Entity formed in the U.S. as a Corporation, LLC, or otherwise filed a document with a secretary of state

- ❖ Foreign Reporting Company

- ❖ Foreign business entity registered to do business in any U.S. state or Indian tribe by such a filing





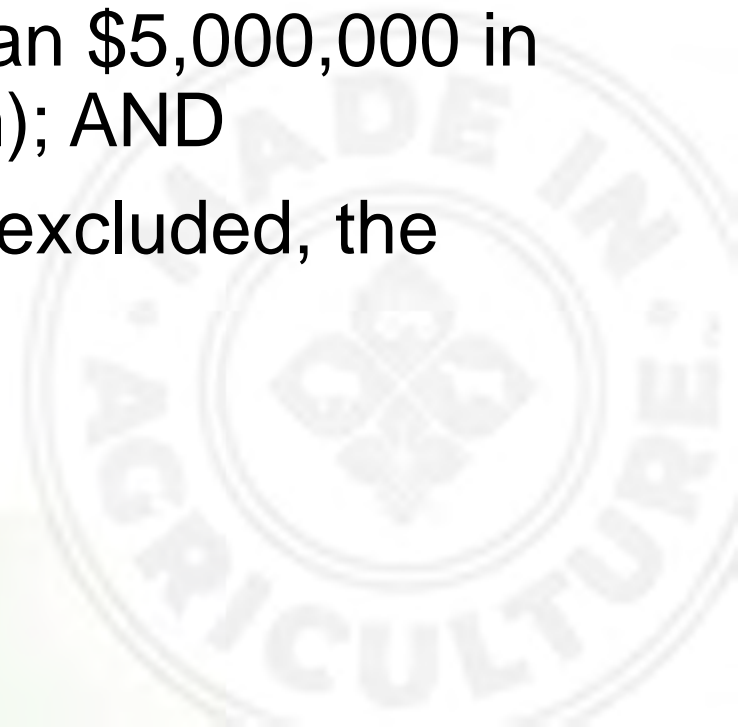
# Exempt Entities

- ❖ 23 Specific Exemptions – most apply to heavily regulated industries
- ❖ Applicable Exemptions for Agriculture
  - ❖ Large Operating Company
  - ❖ Commodity Exchange Act Registered Entity
  - ❖ Tax-Exempt Entity
  - ❖ Inactive Entity



# Large Operating Company

- ❖ Entity employs more than 20 FTEs; AND
- ❖ More than 20 FTEs are employed in the U.S.; AND
- ❖ Entity has a physical office in the U.S.; AND
- ❖ Previous year tax return demonstrates more than \$5,000,000 in gross receipts (reported on appropriate tax form); AND
- ❖ When gross receipts from outside the U.S. are excluded, the entity still has over \$5,000,000



# Commodity Exchange Act Registered Entity

- ❖ “Registered Entity” as defined by the Commodity Exchange Act; OR
- ❖ Registered with the Commodity Futures Trading Commission as a: futures commission merchant, introducing broker, swap dealer, major swap participant, commodity pool operator, commodity trading advisor, or retail foreign exchange dealer



# Tax-Exempt Entity

- ❖ 501(c) charitable organization; OR
- ❖ 527(e)(1) political organization; OR
- ❖ Trust as described in section 4947(a)



# Required to Report

- ❖ All others not meeting an exemption
- ❖ Corporation, LLC or Entity created by filing a document with a secretary of state or similar office
  - ❖ General Partnership
  - ❖ Single Member LLC





# Beneficial Owners



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# Control and Ownership

- ❖ Directly or Indirectly exercise substantial control
- ❖ Owns/Controls at least 25% of the ownership interests



# Substantial Control

- ❖ Senior officer
- ❖ Authority to appoint or remove officers and/or directors
- ❖ Important decision maker
- ❖ Any other form of substantial control





# Ownership Interest

- ❖ Stock
- ❖ Voting Rights
- ❖ Capital or Profits Interest
- ❖ Convertible Interests
- ❖ Any other mechanism to establish ownership

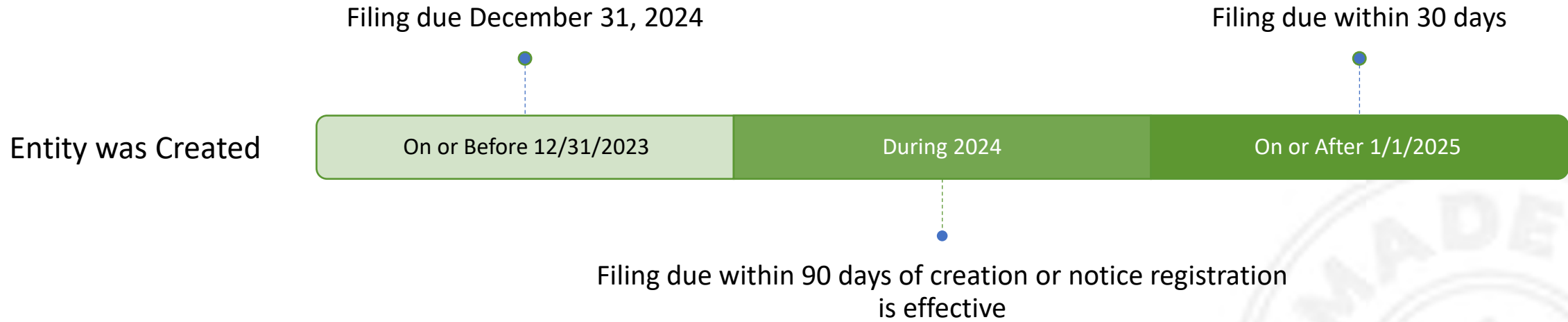




# Filing and Timelines



# Filing Deadlines



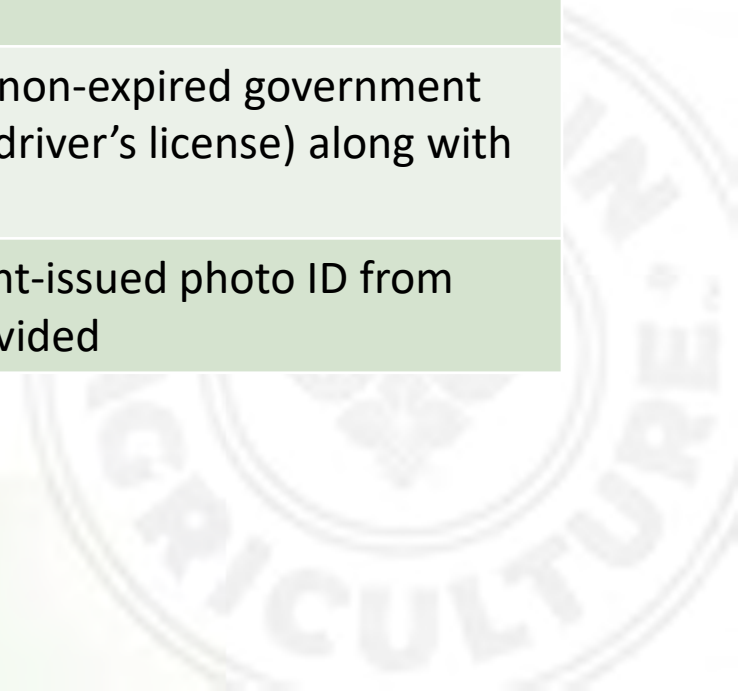
# Penalties

- ❖ Willful failure to report complete or updated BOI information
  - ❖ Civil: \$500/day that violation continues
  - ❖ Criminal: up to 2 years imprisonment and \$10,000 fines
  - ❖ Senior officers of an entity may be held accountable
  
- ❖ A person may be subject to the same penalties if they do not provide a company with their information to complete a report



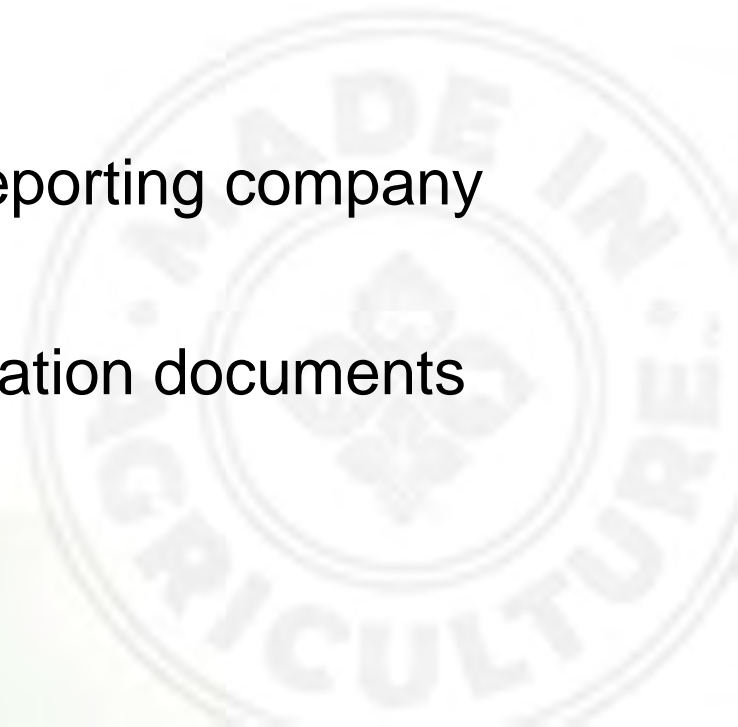
# What is Reported

Company	Each Beneficial Owner
Full legal name	Full legal name
Any trade names used by the company (DBA)	Date of birth
Street address of the company's principal place of business	Current residential street address
The jurisdiction in which the company was formed or registered	Identifying number from a non-expired government issued photo ID (passport, driver's license) along with name of the issuing state
Taxpayer Identification Number (EIN)	An image of the government-issued photo ID from which the number was provided



# Company Applicants

- ❖ Created on or after January 1, 2024: Required to report company applicant(s)
- ❖ Created before January 1, 2024: Not required to report company applicant(s)
- ❖ Direct filer
  - ❖ Individual who filed the document that created the reporting company
- ❖ Directs or of controls filing action
  - ❖ Primarily responsible for directing the filing of registration documents



# FinCEN Identifier

- ❖ Optional alternative to the list of required personal information
- ❖ Obtained from FinCEN
- ❖ Reporting Companies, Beneficial Owners, and Company Applicants are all eligible



# Updates

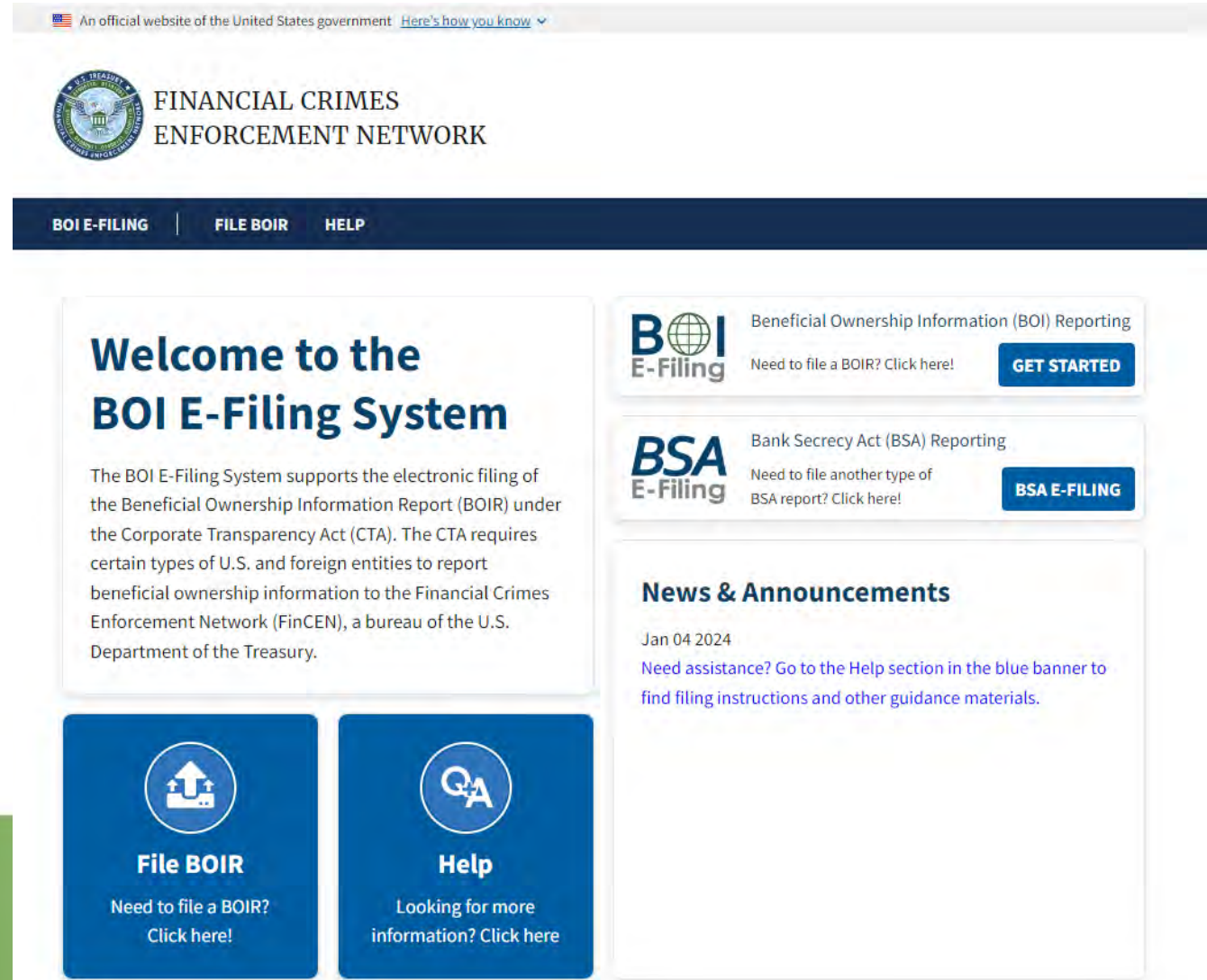
- ❖ Updated report required within 30 days
  - ❖ Required when there is a change to previously reported information about the company or a beneficial owner
  - ❖ Not required when information about company applicant changes
- ❖ Examples of Changes
  - ❖ New name, address, or identifying document
  - ❖ Change in beneficial owners: new CEO; sale that impacts 25% ownership threshold, death of a beneficial owner
    - ❖ In the case of a death, the 30-day timeline applies to the estate settlement






# Where to File

❖ <https://boiefiling.fincen.gov>



The screenshot shows the homepage of the BOI E-Filing System. At the top, there is a header with the U.S. Treasury seal and the text "FINANCIAL CRIMES ENFORCEMENT NETWORK". Below the header is a navigation bar with "BOI E-FILING", "FILE BOIR", and "HELP" options. The main content area features a large "Welcome to the BOI E-Filing System" section with a descriptive paragraph. To the right, there are two call-to-action boxes: "Beneficial Ownership Information (BOI) Reporting" with a "GET STARTED" button, and "Bank Secrecy Act (BSA) Reporting" with a "BSA E-FILING" button. Below these is a "News & Announcements" section with a date and a link to the Help section. At the bottom, there are two blue buttons: "File BOIR" with an icon of a building and a plus sign, and "Help" with a "QA" icon. Both buttons include text about clicking here for more information.

An official website of the United States government [Here's how you know](#)

 FINANCIAL CRIMES  
ENFORCEMENT NETWORK

**BOI E-FILING** | **FILE BOIR** **HELP**

## Welcome to the BOI E-Filing System

The BOI E-Filing System supports the electronic filing of the Beneficial Ownership Information Report (BOIR) under the Corporate Transparency Act (CTA). The CTA requires certain types of U.S. and foreign entities to report beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury.

**BOI E-Filing** Beneficial Ownership Information (BOI) Reporting  
Need to file a BOIR? [Click here!](#) **GET STARTED**

**BSA E-Filing** Bank Secrecy Act (BSA) Reporting  
Need to file another type of BSA report? [Click here!](#) **BSA E-FILING**

### News & Announcements

Jan 04 2024  
[Need assistance? Go to the Help section in the blue banner to find filing instructions and other guidance materials.](#)

**File BOIR**  
Need to file a BOIR? [Click here!](#)

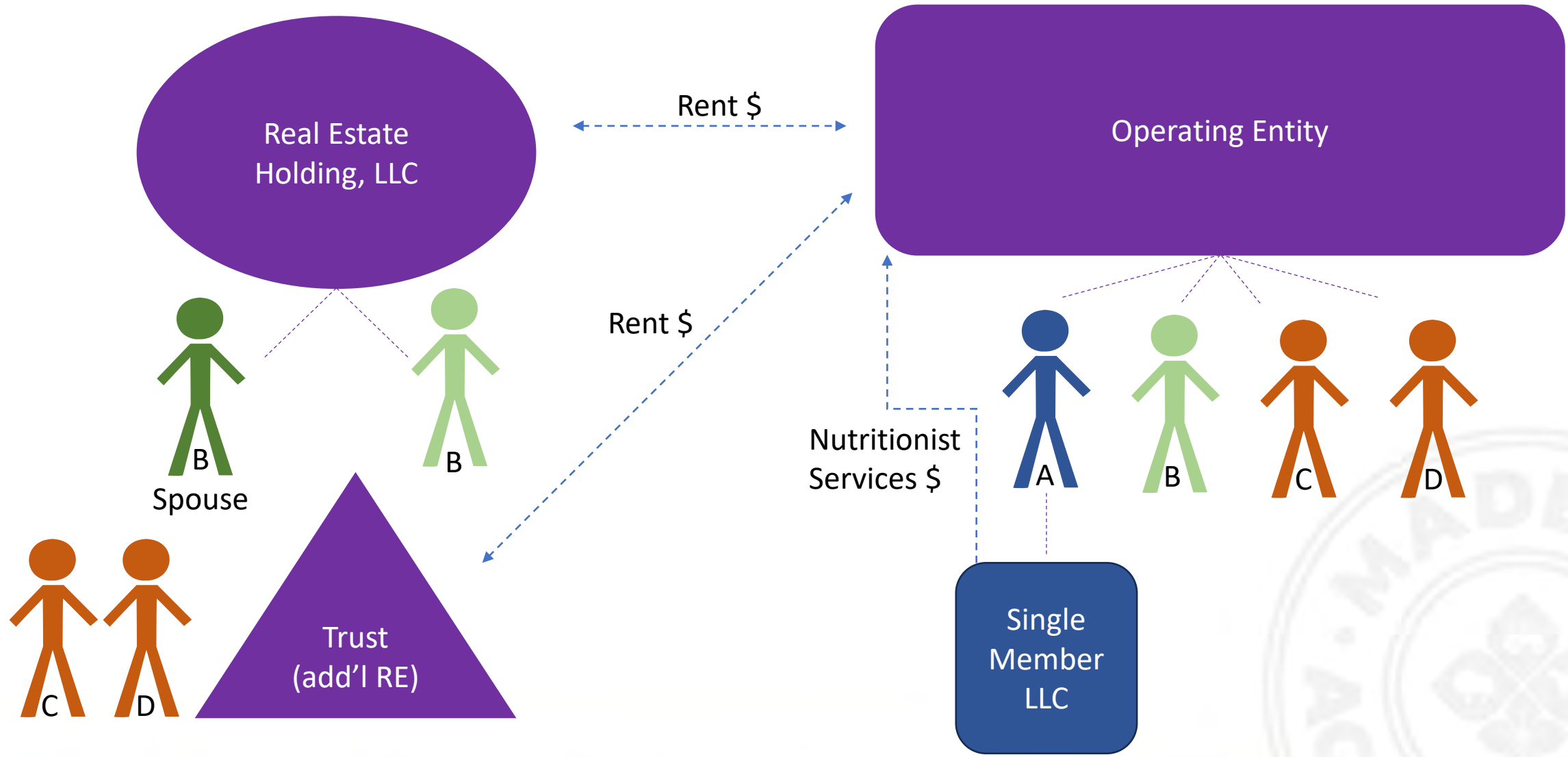
**Help**  
Looking for more information? [Click here](#)



# Farm Business Example



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# Operating Entity

- ❖ Multi-Member LLC; Created by filing with Secretary of State
- ❖ The farm employs a CFO who is not an owner

	A	B	C	D
Profit	50%	50%	0%	0%
Loss	50%	50%	0%	0%
Capital	30%	25%	25%	20%

	2023 Tax Year
Gross Revenue	\$6,380,000
Full-Time Employees	23

# Real Estate Holding Company

❖ Multi-Member LLC; Created by filing with Secretary of State

	B	B Spouse
Profit	50%	50%
Loss	50%	50%
Capital	50%	50%

	2023 Tax Year
Gross Revenue	\$225,000
Full Time Employees	0

# Real Estate Trust

- ❖ C and D are the settlors of this irrevocable trust
- ❖ C and D receive all the income from the trust during their life
- ❖ A is the trustee of the trust and has the authority to distribute trust principal

	2023 Tax Year
Gross Revenue	\$175,000
Full Time Employees	0

# Single Member LLC

- ❖ A is the sole member; entity created by filing with Secretary of State

	2023 Tax Year
Gross Revenue	\$420,000
Full Time Employees	2

Domestic Reporting Company  
Not Exempt  
A is the Beneficial Owner

# Questions?



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