



Butterfield + Co.

CPAs, Inc.

January 17, 2024

Dear Clients,

We circulated a letter concerning the Beneficial Ownership Reporting under the 2021 Corporate Transparency Act last year (see attached). Reporting requirements began on January 1, 2024. Entities in existence before January 1, 2024 are required to file on or before January 1, 2025. Entities formed after January 1, 2024 must generally file within 90 days of formation. Below is an article from one of our tax service providers which provides links which will help you determine if any of the entities that you own/manage are subject to the reporting requirements.

We recommend taking action now by determining which of your entities qualify for reporting and obtaining FinCEN identifiers for beneficial owners, applicants, and individuals directing applicants (if applicable) at <https://fincenid.fincen.gov/landing>. Please note that each beneficial owner, etc. only needs one FinCEN identifier. The FinCEN identifier application can be completed/updated by the beneficial owners, etc. Please note that, at minimum, the beneficial owner, etc. will need to establish an account with a username and password and provide their full name, address, birth date, cell phone number and drivers license number and periodically update such information if any changes are made. You can then use the beneficial owner, etc. FinCEN identifier for entity reporting.

As it may take some time to obtain all the FinCEN identifiers, we recommend beginning the process now.

The penalties for failing to comply with this new mandate start at \$500 per day, so it's critical that you are ready.

Please contact our office if you have any questions.