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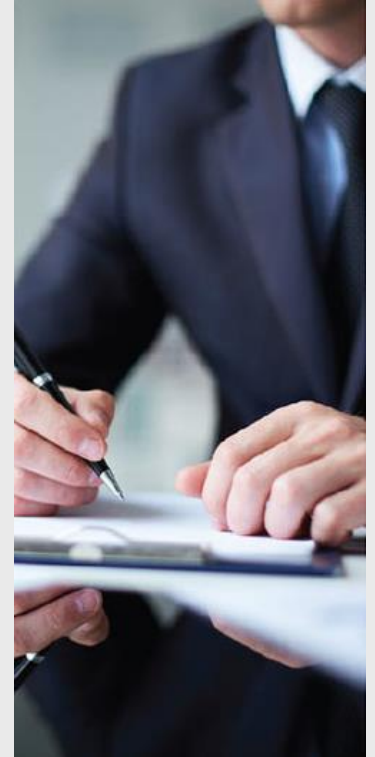
Reichard & Escalera Update

The Department of Treasury's Financial Crimes Enforcement Network ("FinCEN") issued a final rule on September 30, 2022 (the "Final Rule") implementing Section 6403 of the Corporate Transparency Act ("CTA"). The same requires certain Reporting Companies (as defined below) to file reports before FinCEN containing beneficial ownership information ("BOI Reports") and company applicant information ("CA Reports"). The purpose of such reports is to counter money laundering, corruption, tax fraud and other illicit activity by collecting information about who owns and operates legal entities within the United States in a centralized database that is solely accessible to U.S. Government departments, agencies, law enforcement, tax authorities and financial institutions.

The Final Rule is applicable to corporations, limited liability companies and other entities that are created by filing a formation document with a secretary of state or similar office under the law of a State, including Puerto Rico ("Domestic Reporting Companies"). It also applies to corporations, limited liability companies or other entities formed under the law of a foreign country that are registered to do business in the United States by filing a document with a secretary of state or equivalent office under the law of a State, including Puerto Rico ("Foreign Reporting Companies", and jointly with Domestic Reporting Companies "Reporting Companies"). Additionally, there are exceptions to the foregoing reporting requirements applicable to highly regulated businesses, large operating companies and tax-exempt entities, amongst others.

Pursuant to the Final Rule, Reporting Companies must file the following information: (1) the full legal name and any trade name or d/b/a name of the Reporting Company; (2) street address of primary location in the United States; (3) jurisdiction of formation and registration; and (4) the Taxpayer Identification Number ("TIN") assigned by the Internal Revenue Service to the Reporting Company or, in the case of Foreign Reporting Companies without a TIN, a foreign tax identification number and name of the relevant jurisdiction.

The BOI Reports and the CA Reports will require certain information on: (1) individuals who directly or indirectly either (i) exercise "substantial control" over the Reporting Company; or (ii) own or control at least 25% of the ownership interests of the Reporting Company (the "Beneficial Owner"); and (2) individuals who file the document to register the Reporting Company and who are primarily responsible for directing or controlling such filing (the "Company Applicant"). The Final Rule provides three indicia of what constitutes "substantial control" for BOI Reports purposes: (1) service as a senior officer of the Reporting Company; (2) authority over the appointment or removal of any senior officer or a majority of the board or analogous body of the Reporting Company; (3) direction, determination or decision of, or substantial influence over, important matter affecting the Reporting Company, or (4) any other form of substantial control over the Reporting Company. There are also exceptions to the definition of Beneficial Owner. Furthermore, Reporting Companies created prior to January 1, 2024 are not required to submit the CA Reports.



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Reports shall be filed with FinCEN electronically through a secure filing system using the form to be provided by the government agency. Reporting Companies shall have 30 days to report any changes or corrections to reported information, from when the relevant change occurs or after the Reporting Company becomes aware of, or has reason to know of, an inaccuracy in a prior report.

On November 30, 2023, FinCEN issued an amendment to the Final Rule extending the filing date for nonexempted Reporting Companies created or registered to do business in 2024. These Reporting Companies shall submit the initial BOI Reports and CA Reports to FinCEN within 90 calendar days of formation or registration, while Reporting Companies in existence before January 1, 2024 shall file the initial BOI Reports before FinCEN no later than January 1, 2025. On the other hand, reporting companies created or registered on or after January 1, 2025, will have 30 calendar days to file their initial BOI reports after receiving actual or public notice of their creation or registration becoming effective. Finally, the willful failure to report complete or updated beneficial ownership information to FinCEN, or the willful provision of or attempt to provide false or fraudulent beneficial ownership information may result in civil or criminal penalties.

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