



# KITAGAWA & EBERT, P.C.

## LEGAL ALERT RE CTA-BOI



(MAIN) 300 SPECTRUM CENTER DR. SUITE 960, IRVINE, CALIFORNIA 92618  
(TEXAS) (By Appt.) 5851 Legacy Circle, 6th Floor, Plano, Texas 75024  
(GEORGIA) (By Appt.) 3340 Peachtree Rd., Suite 1800, Atlanta, Georgia 30326

[www.JapanUSLaw.com](http://www.JapanUSLaw.com)  
(949) 788-9980

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### UNLESS EXEMPT, CORPORATE TRANSPARENCY ACT (CTA) FINCEN BENEFICIAL OWNERSHIP INFORMATION (BOI) REPORTS DUE.

As 2024 draws to a close, as a professional courtesy this is to notify you that as of December 23, 2024, unless Exempt (23 exemptions) the Corporate Transparency Act (CTA) FinCEN Beneficial Ownership Information (BOI) mandatory federal filing is due for all reporting entities. The U.S. Department of the Treasury Financial Crimes Enforcement Network ("FinCEN") collects the BOI report. The BOI report must be completed online with FinCEN. Unless exempt, the BOI must be prepared and filed by the client directly with FinCEN. Unless Exempt, failure to file the CTA BOI is subject to imprisonment, \$10,000 fines and up to \$591 in daily penalties.

The BOI must be filed electronically through a secure filing system available via FinCEN's BOI E-Filing website <https://boiefiling.fincen.gov>. The BOI form is on FinCEN's BOI E-Filing website <https://boiefiling.fincen.gov>. Unless exempt, please get the "FinCEN Identifier" unique identifying number first for each company and each individual owner, director or senior officer. Unless exempt, a reporting company can have multiple beneficial owners through substantial control, ownership interests, or both. Required information includes the names, date of birth, address, passport number and expiration date for shareholders, directors, and senior officers. A reporting company address must be a U.S. street address and cannot be a P.O. Box. BOI updates are also required to be filed within 30 days whenever the information changes, including change of address, identification (passports, drivers licenses), etc.

On December 23, 2024, the federal Fifth Circuit Court of Appeals stayed the December 3, 2024 nationwide injunction by the Texas District Court. The CTA BOI is required unless exempt and the deadline is extended to January 13, 2025. The following information and links about CTA BOI will be helpful. Information regarding the BOI is available at <https://www.fincen.gov/boi/beneficial-ownership-information-frequently-asked-questions>

1. Reporting companies which existed before January 1, 2024 are required to file the BOI with FinCEN by January 13, 2025.
2. Reporting companies created or registered in the U.S.A. on or after September 4, 2024 that had a filing deadline between December 3, 2024 and December 23, 2024 have until January 13, 2025 to file their initial beneficial ownership information reports with FinCEN.
3. Reporting companies created or registered in the U.S.A. on or after December 3, 2024 through December 23, 2024 have an additional 21 days from their original filing deadline to file their initial beneficial ownership information reports with FinCEN.



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4. Reporting companies that qualify for disaster relief may have extended deadlines that fall beyond January 13, 2025. These companies should abide by whichever deadline falls later.
5. Reporting companies that are created or registered in the U.S.A. on or after January 1, 2025 have 30 days to file their initial beneficial ownership information reports with FinCEN.

Online information services available:

- 1) [Cogency Global Inc. \(CGI\) Corporate Transparency Act \(CTA\)](#) has CTA digital tools [CTA Central™](#) and [CTA Exemption Wizard](#).
- 2) [Wolters Kluwer \(CT\)](#) [https://www.wolterskluwer.com/en/know/bfi-beneficial-ownership-filing-today?utm\\_source=google&utm\\_medium=cpc&utm\\_campaign=WK\\_GLOBAL\\_SEM\\_BOI\\_COUNTDOWN&gad\\_source=1&gclid=EAlalQobChMIlLqF68bDiQMVSSitBh1PiDZ7EAAYASAAEgIOVvD BwE](https://www.wolterskluwer.com/en/know/bfi-beneficial-ownership-filing-today?utm_source=google&utm_medium=cpc&utm_campaign=WK_GLOBAL_SEM_BOI_COUNTDOWN&gad_source=1&gclid=EAlalQobChMIlLqF68bDiQMVSSitBh1PiDZ7EAAYASAAEgIOVvD BwE)
- 3) U.S. Chamber of Commerce information about CTA BOI <https://www.uschamber.com/co/start/strategy/small-business-corporate-transparency-act>

Unless exempt, please get the FinCEN.gov number first for each company, shareholder, director and senior officer, then prepare and file the BOI. Please keep a copy of the BOI confirmation email from FinCEN.gov for your records as proof of your successful filing of the BOI with FinCEN.

Most of our clients are exempt under the large operating company exemption. To qualify for the large operating company exemption, an entity must have more than 20 full time employees in the United States, must have filed a U.S. Federal income tax or information return in the previous year demonstrating more than \$5,000,000 in gross receipts or sales, and must have an operating presence at a physical office in the United States. Although an entity may be exempt in a year, if the situation changes and it is no longer exempt, the BOI will be required. Please understand that our law firm does NOT prepare or file the Corporate Transparency Act (CTA) Beneficial Ownership Interest (BOI) statement.

Although there is a change of administration in January 2025, and it is likely that the CTA BOI decision by the Fifth Circuit will be appealed to the U.S. Supreme Court, as of December 23, 2024 the CTA BOI is required until it is repealed, enjoined or amended.

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