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# beneficial ownership reporting what you need to know and how to file

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## A STEP-BY-STEP GUIDE

Learn what BOI is, how to file, and how to maintain trust and transparency with your company.



# Table of Contents

**CHAPTER 1:** CORPORATE TRANSPARENCY ACT: WHAT IS IT AND WHY IT MATTERS

**CHAPTER 2:** WHO QUALIFIES AS A BENEFICIAL OWNER AND WHO IS EXEMPT?

**CHAPTER 3:** GATHERING AND SUBMITTING BOI

**CHAPTER 4:** COMPLIANCE DEADLINES, ONGOING REQUIREMENTS, AND PENALTIES


**CHAPTER 5:** HOW PAYDAY CAN FILE YOUR BOI FOR YOU

INTRODUCTION

everything you need  
to know **to stay**  
**compliant**




The Corporate Transparency Act is reshaping the way businesses disclose their ownership information. It's better to not wait last minute, but if you do, it's ok, we got your back.



Ensuring compliance with the Corporate Transparency Act (CTA) and properly filing Beneficial Ownership Information (BOI) are critical steps for businesses operating in the U.S. As regulatory frameworks evolve to enhance transparency and prevent financial crimes, companies must stay informed and proactive to avoid costly penalties and legal complications. Compliance with BOI reporting isn't just about meeting legal requirements—it's about safeguarding your business's reputation and ensuring operational stability in the long term.

This guide provides a thorough overview of the CTA and BOI reporting obligations. We will explain everything from identifying beneficial owners to understanding the exemptions, gathering the necessary information, and navigating the reporting process. Whether you're a small business or a larger entity, these insights will help you ensure full compliance and avoid the complexities and risks associated with improper reporting.

Throughout this guide, we will walk you through practical steps and compliance tips and offer insights into how Payday can simplify the filing process for your company. For those looking to offload the administrative burden, our streamlined BOI filing service ensures accuracy and compliance for just \$299. In the chapters that follow, you will find all the information you need to confidently meet your company's BOI obligations under the CTA.



CHAPTER 1

corporate  
transparency act: **what  
is it and why it matters**

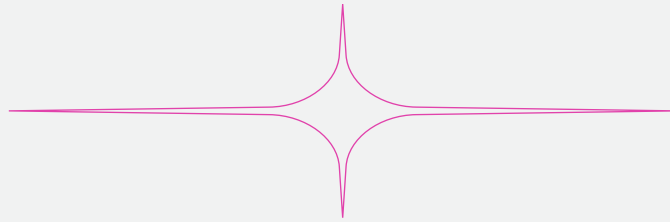


Anonymous shell companies are often used by criminals to hide illicit funds and launder money. The CTA aims to close this loophole.

# What is the Corporate Transparency Act?

It's the question we get all the time. To put it simply, it is a U.S. law enacted to combat money laundering, terrorism financing, and other illicit activities by requiring certain businesses to disclose detailed information about their beneficial owners. Beneficial owners are the individuals who ultimately own or control a company.

The CTA helps protect the integrity of the financial system by ensuring transparency in business ownership, which in turn fosters trust, accountability, and compliance with both national and international regulations.



## Who is Affected?

Most corporations, limited liability companies (LLCs), and similar entities must report their beneficial owners to the Financial Crimes Enforcement Network (FinCEN). This law targets smaller, privately held companies, as larger companies and heavily regulated industries (like banks) are generally exempt from these requirements.

**Ask yourself: Is my business type (e.g., corporation, LLC) required to file? Does my business qualify for any exemptions under the CTA (e.g., publicly traded companies, large operating companies with more than 20 full-time employees)?**

The CTA is particularly focused on small, privately held companies that may not already be subject to extensive regulatory scrutiny. These types of entities are often used by individuals looking to conceal beneficial ownership, making them prime targets for transparency efforts.

# What is Beneficial Ownership Information?

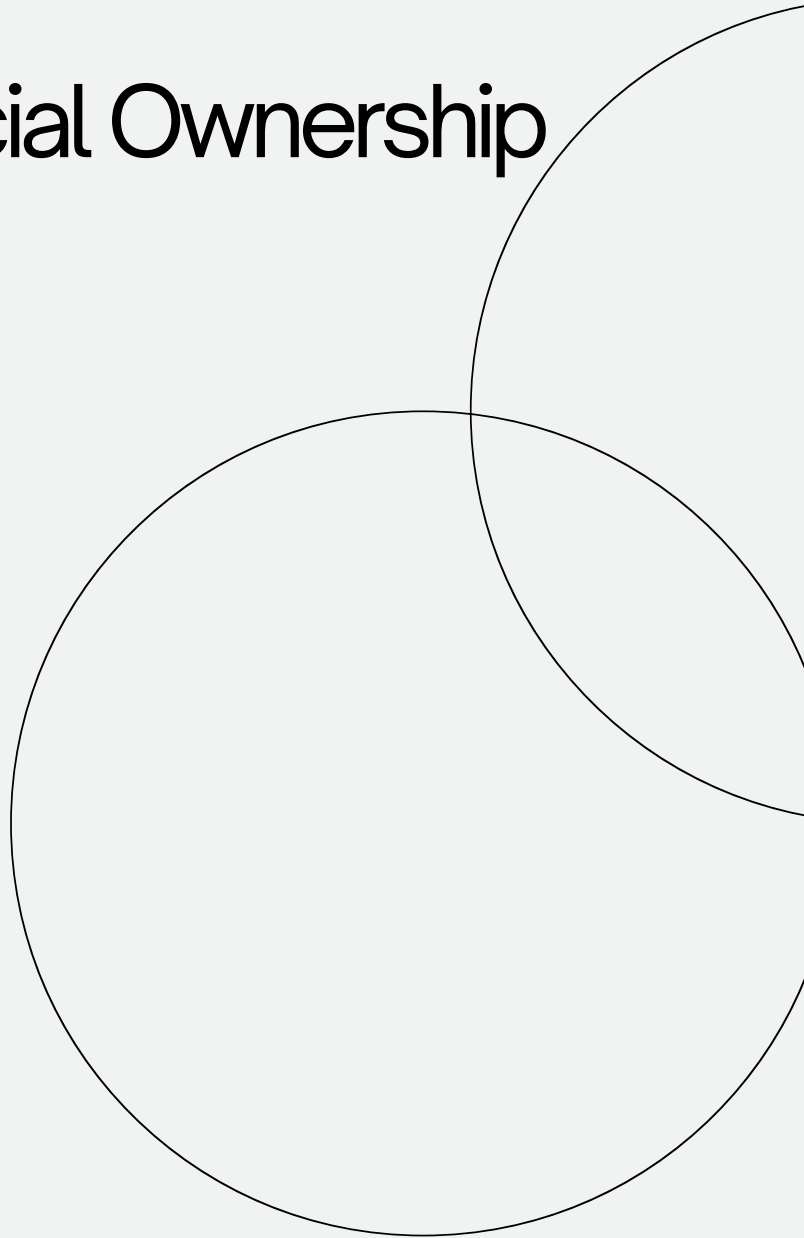
The next big question is, what is BOI? It refers to detailed data about the individuals who own or control a company, which must be disclosed under the CTA. BOI typically includes key identifying information about each beneficial owner—those who either hold significant equity in the company or have substantial control over its operations.

Specifically, this information must cover each beneficial owner's complete legal names, dates of birth, residential or business addresses, and government-issued identification numbers (such as from a passport or driver's license). The goal of collecting BOI is to reveal the individuals behind companies, especially those who could use the business for illicit activities.



**Ask Yourself: Who are my beneficial owners? Does anyone else have significant control or influence over major decisions in the company, even if they don't own 25%?**

By requiring companies to provide BOI, the CTA makes it much harder for bad actors to hide their ownership behind complex corporate structures or layers of anonymous entities. This transparency helps law enforcement and regulators track down those responsible for financial misconduct.



# Who Needs to Comply with the CTA?

The CTA applies to most corporations, limited liability companies (LLCs), and similar entities formed or registered to do business in the U.S. However, there are important exemptions, including:

- **Large operating companies:** Businesses with more than 20 full-time employees, over \$5 million in gross receipts, and a physical presence in the U.S.
- **Regulated entities:** Banks, insurance companies, and certain investment firms, among others.
- **Inactive entities:** Companies that haven't engaged in active business for over a year and hold no significant assets.

**Ask Yourself: What Information Do I Need to Collect for Each Beneficial Owner? Is the information accurate and up-to-date?**

## Why Does the CTA Matter to Your Business?

Even if your business is not engaged in illegal activities, complying with the CTA is essential for avoiding hefty fines and maintaining your company's good standing. Businesses that fail to comply with the BOI reporting requirements risk:

- Significant financial penalties.
- Legal consequences, including potential criminal charges.
- Damage to the company's reputation if non-compliance becomes public knowledge.

**Ask Yourself: Do I understand the penalties for failing to file or providing false information (including fines and potential criminal charges)?**

Being compliant with the CTA helps contribute to a more transparent and fair business environment, which can ultimately benefit all law-abiding businesses.

CHAPTER 2

# who qualifies as a beneficial owner **and** **who is exempt?**



Identify your beneficial owners (e.g., 25% ownership or substantial control). Clarify control vs. ownership in your business.

# Identify Who Qualifies as an Owner with These Steps

Identifying beneficial owners is a critical aspect of compliance with the CTA. A beneficial owner is any individual who owns or controls 25% or more of a company, or who has significant influence over company decisions. Accurately identifying these individuals is essential to avoid legal penalties and ensure your business remains compliant with the new regulations.

For many companies, particularly those with complex ownership structures, identifying beneficial owners can be a challenging and confusing process. Companies must consider both direct and indirect ownership stakes.

## **USE THESE 8 WAYS TO DETERMINE OWNERSHIP**

- 1: REVIEW COMPANY OWNERSHIP STRUCTURE
- 2: CONSIDER INDIRECT OWNERSHIP
- 3: IDENTIFY DECISION-MAKERS
- 4: CONSULT WITH LEGAL OR COMPLIANCE EXPERTS
- 5: IDENTIFY INDIVIDUALS WHO HOLD 25%
- 6: TRACE OWNERSHIP LAYERS
- 7: DETERMINE WHO INFLUENCES YOUR COMPANY
- 8: IDENTIFY AND REPORT

To remain compliant, it's crucial to start by thoroughly reviewing your ownership structure and ensuring that all beneficial owners are identified and reported accurately. If you believe your company may be exempt, review the exemption criteria carefully, and seek professional advice if necessary. Taking these steps will help protect your business from fines and penalties while ensuring compliance with the CTA.



## COMPLEX OWNERSHIP STRUCTURES

For companies with complex ownership structures, identifying beneficial owners can be particularly challenging. Multiple layers of ownership and indirect control make it difficult to pinpoint individuals who meet the criteria for reporting.

- **Problem:** Complex corporate structures can obscure who truly controls or owns a significant portion of the business, making it harder to identify beneficial owners.
- **Solution:** Conduct a thorough review of all ownership layers, including trusts and holding companies. Use legal or compliance experts to trace indirect ownership and clarify control dynamics.


## UNCLEAR REPORTING REQUIREMENTS

Many businesses are unclear about whether they fall under the CTA or what specific information is required for BOI reporting. This confusion can lead to errors or missed deadlines, resulting in penalties.

- **Problem:** Lack of clarity on BOI reporting requirements increases the risk of non-compliance.
- **Solution:** Familiarize yourself with the CTA's key reporting obligations. Consider using external services like Payday's \$299 BOI filing service to ensure accurate and timely submissions.

## PENALTIES FOR NON-COMPLIANCE

Failing to comply with the CTA can result in severe penalties, including substantial fines and even criminal charges. For businesses unaware of these penalties, the consequences can be financially and reputationally damaging.

- **Problem:** Non-compliance with BOI reporting can lead to fines of up to \$500 per day, or up to \$10,000, with the possibility of imprisonment for intentional violations.
  - **Solution:** Establish a clear compliance process early. Track and update beneficial ownership information regularly to avoid any lapses. Leverage professional services to handle the complexity of reporting and avoid mistakes.
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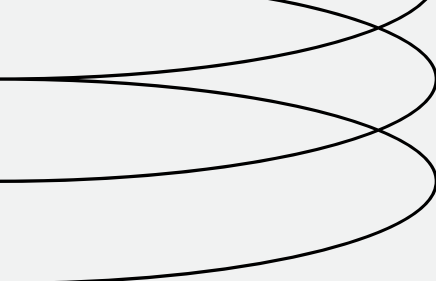
NOW ITS TIME TO GATHER THAT INFO

CHAPTER 3

# gathering and submitting boi



Use the best practices for securely collecting and organizing this data. Avoid all the common mistakes before and during filing.



# REQUIRED INFORMATION FOR BENEFICIAL OWNERS

To comply with the CTA, businesses must gather and submit specific details about each beneficial owner. This information is essential for maintaining transparency and preventing financial crimes, and failure to provide accurate information can lead to penalties.


Collecting the required data ensures your company meets federal regulations, avoids fines, and contributes to a fairer, more transparent business environment.

- **Required Information:**
  - **Full Legal Name:** The official name of each beneficial owner.
  - **Date of Birth:** Accurate birthdate information to verify identity.
  - **Residential Address:** The primary home address of each beneficial owner.
  - **Government ID Number:** A unique identifying number from a government-issued document such as a passport, driver's license, or state ID.

## HOW TO SUBMIT BOI

After collecting the necessary information, businesses must submit their BOI to the appropriate regulatory body, typically FinCEN or have Payday handle the filing. The process involves ensuring all data is accurate and submitted on time.

Properly submitting BOI is key to compliance, helping businesses avoid penalties and maintain positive relationships with federal authorities.

- **Examples of Submission Process:**
    - **Online Filing Systems:** Most businesses will use FinCEN's online portal to submit BOI securely.
    - **Filing Assistance:** Companies may choose to use a service, like Payday's \$299 BOI filing service, to simplify the process and ensure accuracy.
    - **Confirmation:** Once submitted, businesses should receive confirmation that their BOI has been successfully recorded and filed.
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## ONGOING UPDATES AND RESPONSIBILITIES

Businesses must keep their BOI up to date and submit changes whenever there are modifications to beneficial ownership, such as new shareholders or changes in company control.

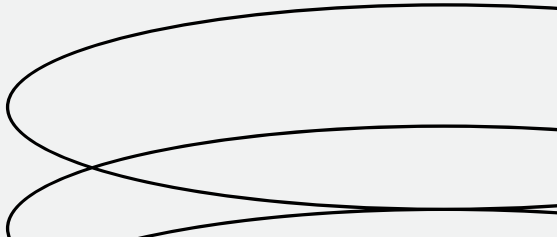
Keeping information up to date ensures continued compliance with CTA regulations, protecting businesses from potential legal issues or fines.

- **Examples of Changes That Require Updates:**
  - **New Beneficial Owners:** Adding any new owners who meet the 25% ownership or control criteria.
  - **Changes in Control:** Updates when individuals gain or lose significant control over the company.
  - **Ownership Structure Changes:** If the company undergoes a major reorganization or change in shareholders, the BOI must be updated within 30 days.

## HOW PAYDAY CAN HELP PREVENT NON-COMPLIANCE

Navigating BOI reporting requirements can be overwhelming, but with professional assistance from Payday, businesses can ensure their filings are complete, accurate, and submitted on time. For just \$299, Payday's BOI filing service can help your business avoid costly compliance issues.

Leveraging a professional service can significantly reduce the risk of non-compliance, giving businesses peace of mind.

- **How Payday Helps:**
    - **Accurate Submissions:** Ensures that all required information is collected and submitted correctly.
    - **Timely Filings:** Helps businesses meet all deadlines to avoid late penalties.
    - **Ongoing Support:** Assists with updates when beneficial ownership changes, ensuring continued compliance.
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CHAPTER 4

# compliance deadlines, ongoing requirements, and penalties



Understand the strategies for maintaining ongoing compliance, such as regularly reviewing and updating all your information.

# Understanding Your BOI Reporting Deadlines

Meeting BOI reporting deadlines is crucial for businesses subject to the CTA. Both new and existing businesses must adhere to strict timelines for filing their BOI to avoid penalties. The filing process can seem overwhelming, but staying aware of these deadlines will help ensure your business remains compliant.

Timely BOI reporting helps your business avoid financial penalties and potential legal consequences.

- **Key Deadlines:**

- **New Businesses:** Starting January 1, 2025, all newly formed businesses must submit BOI when registering.
- **Existing Businesses:** Companies formed before January 1, 2025, must file their initial BOI by January 1, 2026.
- **Updates:** After filing, businesses must update their BOI within 30 days of any change in beneficial ownership.

## Maintaining Compliance: Ongoing Reporting Responsibilities

Your responsibility doesn't end there once your business submits its initial BOI. The CTA requires businesses to regularly review and update their BOI to reflect any changes in ownership or control. Failing to do so can lead to penalties and non-compliance.

Regular updates are crucial to ensure continued compliance with the CTA and to avoid hefty fines for outdated or incorrect information.

- **Examples of Ongoing Compliance:**

- **Ownership Changes:** If a new individual gains 25% or more of the business, or an existing owner's share drops below 25%, you must report this change.
- **Control Changes:** If control of the company shifts (e.g., a new executive gains decision-making power), your BOI must be updated.
- **Reporting Timeline:** All changes must be reported within 30 days to remain compliant.

# Consequences of Missing Deadlines

Missing a BOI filing deadline can have significant consequences for businesses, including daily fines and possible legal action. Penalties for non-compliance can escalate quickly, putting your business at risk.

Understanding the penalties for missing deadlines will help businesses prioritize BOI compliance and avoid costly fines.

- **Penalties:**
  - **Daily Fines:** Businesses that fail to file BOI on time may face fines of up to \$500 per day.
  - **Criminal Penalties:** Willful failure to report can lead to fines up to \$10,000 and imprisonment for up to 2 years.

## How to Stay on Top of Your Compliance Requirements

Remaining compliant with the CTA requires careful tracking of changes in beneficial ownership and proactive updates to your filings. Businesses must develop a process to ensure they stay informed about their ongoing compliance responsibilities.

Establishing a compliance process can help your business avoid unnecessary penalties and ensure accurate, timely reporting.

- **Tips for Staying Compliant:**
  - **Set Reminders:** Implement reminders for regular reviews of beneficial ownership and upcoming deadlines.
  - **Assign Responsibility:** Designate a team member or department to oversee BOI filings and updates.
  - **Use Professional Services:** Consider using a service like Payday's \$299 BOI filing service to ensure compliance and avoid errors.

LET US HANDLE IT FOR YOU

CHAPTER 5

# how payday can file **your boi for you**



Put it in our hands, and we will ensure that all required details are accurately recorded and organized.

# Why Trust Payday with Your BOI Filing?

Filing BOI can be a complex and time-consuming task, especially for businesses unfamiliar with the new requirements set forth by the CTA. Accurate and timely filing is crucial to avoid hefty fines and legal penalties. This is where Payday steps in.

Payday's \$299 BOI Filing Service offers businesses a simple, affordable solution to ensure compliance with the CTA. We take the hassle out of the filing process, allowing you to focus on running your business without worrying about missed deadlines, incomplete forms, or costly mistakes.

Our service ensures that your business complies with BOI regulations, helping you avoid penalties and legal issues.

- **What Sets Us Apart:**

- **Expertise:** Payday's team is well-versed in the requirements of the CTA and ensures that all necessary information is filed accurately and on time.
- **Affordability:** For a flat fee of \$299, we handle the entire BOI filing process, from gathering your beneficial ownership data to submitting it to the appropriate authorities.
- **Peace of Mind:** With Payday, you can trust that your business is compliant and protected, with no risk of penalties for errors or delays.

At Payday, we've simplified the BOI filing process to make it as easy and efficient as possible for businesses of all sizes. Our step-by-step process ensures that your BOI is filed accurately and promptly, minimizing your administrative burden. All it takes is four easy steps:

- **Step 1:** Initial Consultation
- **Step 2:** Document Preparation
- **Step 3:** Filing with FinCEN
- **Step 4:** Ongoing Compliance Support

# WHY \$299 IS A SMART INVESTMENT FOR YOUR BUSINESS

Some businesses may consider handling BOI filing on their own, but this often leads to more complexity than expected. By investing just \$299 in Payday's BOI Filing Service, you save time, reduce stress, and ensure that your filing is accurate. The risks of non-compliance far outweigh the cost of our service. **Here's why:**

- **Avoid Costly Penalties:** The CTA imposes strict fines for late or incorrect BOI filings, with penalties reaching \$500 per day for non-compliance. Our service helps you avoid these fines.
- **Save Time:** BOI filing can take valuable time away from running your business. With Payday, the process is handled by experts, freeing you to focus on your core operations.
- **Reduce Risk:** Inaccurate or incomplete filings can lead to criminal penalties, including fines up to \$10,000 or imprisonment. Payday ensures that your filing is correct the first time.

## HOW TO GET STARTED WITH PAYDAY'S BOI FILING SERVICE

Starting with Payday's BOI filing service is easy. Here's how you can sign up and ensure your compliance with the Corporate Transparency Act:

- **Contact Us:** Reach out to Payday via ([bio@paydayhcm.com](mailto:bio@paydayhcm.com)) or by phone to schedule your initial consultation.
- **Provide Necessary Information:** During your consultation, we'll gather the information needed to complete your BOI filing.
- **Leave the Rest to Us:** Payday will handle everything from document preparation to submission, keeping you informed at every step.

With Payday's BOI Filing Service, compliance with the CTA has never been easier—or more affordable. Let us take the stress out of BOI reporting for just \$299.

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