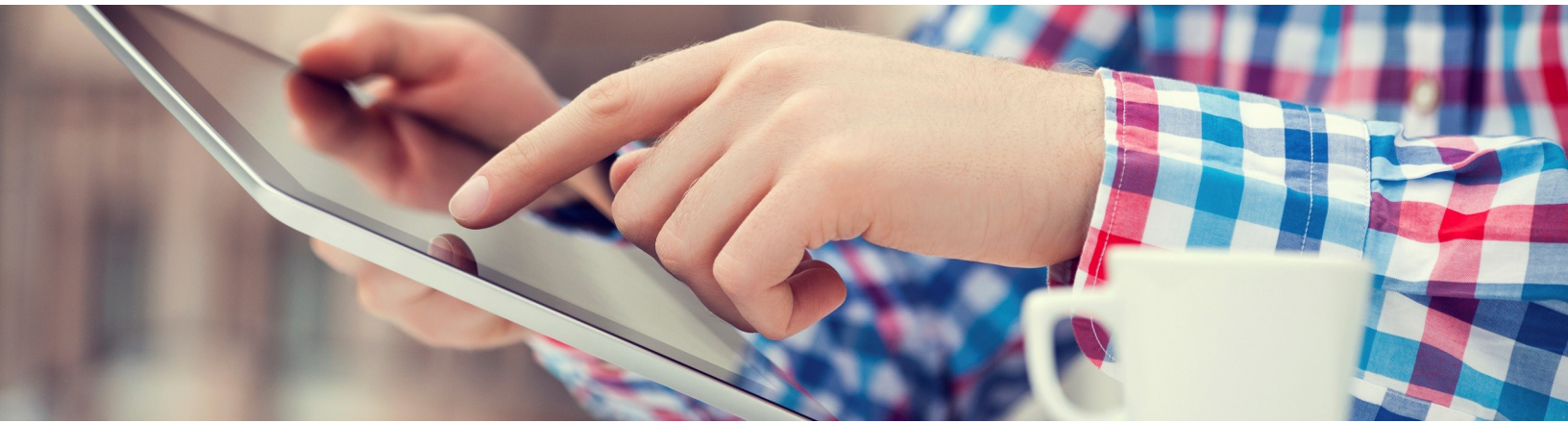


Corporate Transparency Act



Law has Reporting Requirements for Many Entities



As of January 1, 2024, the federal Corporate Transparency Act (CTA) has been implemented to enhance transparency and hinder illicit activities facilitated by obscure ownership structures. The CTA mandates the reporting of Beneficial Ownership Information (BOI) concerning the ultimate individual owners of entities, with reporting conducted through the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). Asset Preservation, Inc. (API) would like to alert its clients of this new law because most entities will be required to report BOI to FinCEN. In addition, if an exchanger is performing a reverse 1031 exchange, improvement exchange, leasehold improvement exchange, or other parking arrangement and the exchange accommodation titleholder (EAT) entity will be assigned to the exchange at the conclusion of the exchange, the exchanger will likely be required to report the BOI of that EAT within 30 days of the assignment. Failure to report BOI may result in significant penalties and/or imprisonment.

WHO: Entities falling under the category of "reporting companies" are obligated to comply with the CTA. This includes domestic corporations, limited liability companies, and any other entity created by the filing of a document with a secretary of state or similar office in the U.S., along with entities formed under foreign laws but registered to operate in the U.S. Exemptions exist for various entities, such as government bodies, certain securities issuers, financial institutions, accounting firms, tax-exempt entities, and specific large operating companies.

WHAT : BOI encompasses details about individuals who either directly or indirectly own or control at least 25% of a reporting company's ownership interests or exercise substantial control over the reporting company. The Beneficial Ownership Information Report (BOIR) must contain information about the reporting company and the names, dates of birth, residential addresses, and identification images of the beneficial owners. Timely updates and corrections are required for any changes or inaccuracies.

WHERE: Reporting is facilitated through the completion of a BOIR form submitted via an online portal accessible at <https://www.fincen.gov/boi>. Confirmation of receipt will be provided once the report is successfully filed with FinCEN.

WHEN: Key deadlines for reporting include:

- Companies existing before January 1, 2024 must file their BOIR by January 1, 2025.
- Companies created or registered in 2024 must file within 90 days.
- Companies created or registered after 2024 must file within 30 days.
- Updated BOIRs must be filed within 30 days of any changes, inaccuracies, or exemptions.

PENALTY: Failure to comply with reporting requirements carries significant penalties, including civil or criminal consequences. Penalties may reach up to \$500 per day for ongoing violations, with criminal penalties involving imprisonment for up to two years and/or fines of up to \$10,000. Senior officers of non-compliant entities may be held accountable. Providing false information or refusing to provide information may also result in accountability.

Compliments of:



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