



A PUBLICATION FROM THE TAX DIVISION

REMINDER

Federal Reporting Requirement for Beneficial Ownership Information (BOI)

Please contact your account service partner should you have any questions or comments or if you need additional information regarding these matters.

Tel. (787) 725-1600

Idsa Ramos Medina
Partner
iramos@vgmmcpa.com

Yahaira Feliciano Ramos
Partner
yfeliciano@vgmmcpa.com

Luis Ortiz Colon
Partner
lortiz@vgmmcpa.com

Carlo J. Medina Romero
Partner
cmedina@vgmmcpa.com

As discussed on our Flash Alert 2024-01, as of January 1, 2024, many companies in the United States, including Puerto Rico, are required to report information about their beneficial owners (individuals who ultimately own or control the company) to the Financial Crimes Enforcement Network (FinCEN). FinCEN is a bureau of the U.S. Department of the Treasury.

Who Has to Report?

A company may need to report information about its beneficial owners if it is:

- ⇒ A corporation, a limited liability company, or was otherwise created in the United States by filing a document with a secretary of state or any similar office under the law of a state or Indian tribe; or
- ⇒ A foreign company and was registered to do business in any U.S. state or Indian tribe by such a filing.

Who Does Not Have to Report?

Twenty-three types of entities¹ are exempt from the beneficial ownership information reporting requirements. An entity that qualifies for any of these exemptions is not required to submit BOI reports to FinCEN.

- ⇒ Publicly traded companies;
- ⇒ Nonprofits; and
- ⇒ Certain large operating companies.

When are Reports Due?

- ⇒ If the company was created or registered **prior** to January 1, 2024, you will have **until January 1, 2025** to report the BOI.
- ⇒ If the company was created or registered **on or after** January 1, 2024, you must report the BOI **within 90 days of notice of creation or registration**.
- ⇒ Any updates or corrections to beneficial ownership information previously filed with FinCEN must be submitted within 30 days.
- ⇒ If the company is created or registered **on or after** January 1, 2025, you must report the BOI **within 30 days of notice of creation or registration**.

Flash Alert

2024-02

Federal Reporting Requirement for Beneficial Ownership Information (BOI)

Contact us at
(787) 725-1600 or at
fsosa@vgmmcpa.com
if you would like to
subscribe/unsubscribe from our
publications.

Follow us:



VGMM's assistance

The BOI reporting requirements are mandated under Title 31 of the United States Code, "Money & Finance." Section 5336 of Title 31 includes the legal requirements of who must file, the exemptions from filing, and the information to be reported. The information to be reported on this form arises from determinations that are primarily legal in nature. Due to the legal considerations and other concerns surrounding this information, VGMM will refrain from compiling and transmitting this data on behalf of our clients.

We strongly encourage all our clients to reach out to their attorneys to complete this registration.

Additional Information

For more information regarding BOI reporting requirements, refer to the FinCEN website at <https://www.fincen.gov/boi>.

You may also sign up for FinCEN updates to receive immediate email updates on Beneficial Ownership by accessing [BOI Updates](#).

¹ Entities exempt from the BOI requirements are the following: 1) Securities reporting issuers; 2) Governmental authorities; 3) Banks; 4) Credit unions; 5) Depository institution holding companies; 6) Money services business; 7) Brokers or dealers in securities; 8) Securities exchange or clearing agencies; 9) Other Exchange Act registered entities; 10) Investment companies or investment advisers; 11) Venture capital fund advisers; 12) Insurance companies; 13) State-licensed insurance producers; 14) Commodity Exchange Act registered entities; 15) Accounting firms; 16) Public utilities; 17) Financial market utilities; 18) Pooled investment vehicles; 19) Tax-exempt entities; 20) Entity assisting a tax-exempt entities; 21) Large operating companies; 22) Subsidiaries of certain exempt entities; and 23) Inactive entities.

Valdés, García, Marín & Martínez, LLP is a Puerto Rico based firm of Certified Public Accountants and Consultants organized as a partnership for the practice of public accounting since 1975. Over 45 years of experience in public accounting supports our commitment to excellence and professionalism.

This Flash Alert has been prepared for informative purposes. It is not intended to provide and does not constitute tax advice.

©2024 Valdés, García, Marín & Martínez, LLP. All rights reserved.