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CERTIFIED PUBLIC ACCOUNTANTS

Dear Client:

The purpose of this letter is to bring to your attention the filing requirements under the Corporate Transparency Act for certain taxpayers with a qualified reporting company. This law, passed in 2021, created a new requirement to report beneficial ownership information (BOI) about the individuals who ultimately own or control a company. Starting January of 2024, this report will be required for many domestic and foreign entities, as part of the U.S. government's efforts to address financial crimes.

You may be required to file a Beneficial Ownership Information Report (BOIR) with the Financial Crimes Enforcement Network (FinCEN) if your company:

- Is a corporation, limited liability company, or other entity created or registered to do business by the filing of a document with a secretary of state or any similar office in the United States.
- Does not meet one of the exemptions listed in FinCEN's Small Entity Compliance Guide (https://www.fincen.gov/sites/default/files/shared/BOI_Small_Compliance_Guide_FIN_AL_Sept_508C.pdf)
- Is a foreign company registered with the secretary of state or similar office under state law to do business in the United States.

Note: Sole proprietorships, trusts, and general partnerships do not typically require the filing of a formal document with the secretary of state, so they generally are not considered a reporting company and will not have a filing requirement.

Filing must be electronic, is only through FinCEN's secure website (<https://boiefiling.fincen.gov/>) and has the following deadlines:

- Reporting companies created or registered to do business in the United States before January 1, 2024, must file by January 1, 2025.
- Reporting companies created or registered to do business in the United States in 2024 have 90 calendar days to file after receiving actual or public notice that their company's creation or registration is effective.
- Reporting companies created or registered on or after January 1, 2025, will only have 30 calendar days to file.
- Reporting companies that need to update or correct previously reported information have 30 calendar days to file an updated BOIR. There is no annual filing requirement unless reporting information has changed.

Failure to file the Beneficial Ownership Information Report, when required, could result in civil penalties (of up to \$500 for each day that the violation continues), criminal penalties (of up to two years imprisonment) and a large fine (of up to \$10,000).

More information is available on the FinCEN's website: <https://www.fincen.gov/boi> (which includes the Small Entity Compliance Guide and FAQs about the BOI reporting requirements).

Sincerely,

Baro, Bagwell & Company, CPAs, P.A