



# Horn & Johnsen sc

ESTATE PLANNING CENTER OF WISCONSIN

November 13, 2023

Dear Business and Estate Planning Clients,

RE: New FinCEN Reporting Requirements Commencing 2024

We hope this letter finds you well. We wanted to inform you about the new filing requirements that have been introduced under the federal Corporate Transparency Act. This act aims to enhance transparency and combat illicit activities such as money laundering, corruption, and terrorism financing.

Under this new legislation, most general business entities will be required to file beneficial ownership information with the Financial Crimes Enforcement Network (FinCEN). Your personal information, identification, and perhaps some biometrics may be required. We are awaiting more details along with final regulations.

The purpose of this filing is to disclose the individuals who ultimately own or control the entity, ensuring that there is transparency in corporate structures.

Starting in 2024, you will need to report to FinCEN for each covered business you own. Most small, general businesses will be required to report. This includes all businesses currently in existence *before* 2024. Here is a link to the FinCEN website: <https://www.FinCEN.gov/boi>. You can obtain more information and updates there.

It is important to note, *Horn & Johnsen SC will not take-on this new reporting for its current and former clients.* Similarly, we will not provide interpretation or advice about this new reporting requirement. Such work would exceed both the scope of our practice area (chiefly estate planning) and the limits of our available resources including staffing, annual notifications, identification and location of business owners, legal research, software, encryption and biometrics.

Moreover, commencing January 1, 2024, we may or may not be able to file or renew Articles of Organization or Articles of Incorporation. This is because the filing attorney must also report to FinCEN, and must do so in each instance and every year, commencing in 2024.

For most small business owners, reporting will be easy. For larger enterprises, reporting may be harder. Either way, it is important to learn as much as you can, as early as you can so that when reporting opens in 2024, you will already know how this new federal requirement will affect you and your business. In short, do not hesitate to hire an accounting firm or preferred business law firm if you would like consultation or assistance with the new FinCEN reporting requirements.

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To comply with the Corporate Transparency Act, it is essential for your business to understand the following key points:

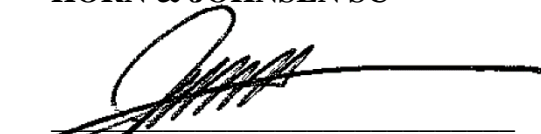
1. **Who Needs to File:** Entities that fall under the definition of a “reporting company” will be required to file beneficial ownership information. Reporting companies include corporations, LLCs, and other similar entities that are created or registered under state law.
2. **Beneficial Ownership Information:** The filing will require disclosing the identities of individuals who directly or indirectly own or control 25% or more of the entity’s ownership interests, as well as individuals who exercise substantial control over the entity.
3. **Deadlines and Penalties:** The specific deadlines for filing have not been finalized yet, but it is crucial to stay updated on any announcements from FinCEN. Failure to comply with the filing requirements may result in significant penalties, including monetary fines and potential criminal liability.
4. **Confidentiality and Privacy:** While the information filed will be accessible to certain government agencies and financial institutions, efforts have been made to ensure that personal information is protected and used only for legitimate purposes.

We understand that this may seem like a complex process, but for most of you, it will not be. For those with more complex businesses, there may be added complexity with this new reporting requirement. But, by acting early, your process and strategy will already be in place, making the process as seamless as possible for you and your business.

Thank you for your attention to this matter.

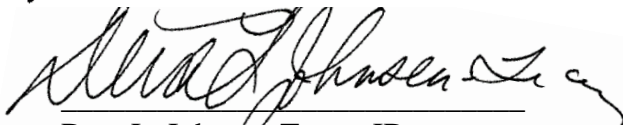
Warm regards,

**HORN & JOHNSEN SC**



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