

Guide for M&T Bank Customers on Beneficial Owner Information Reporting Required by FinCEN under the Corporate Transparency Act

The Corporate Transparency Act (“CTA”) was passed by Congress in 2021 and created a new beneficial owner information reporting requirement as part of the U.S. government’s efforts to make it harder for criminals to hide or benefit from the proceeds of illegal activity through shell companies or complex ownership structures.

The Beneficial Owner Information Reporting Rule under CTA went into effect on January 1, 2024 and requires certain entities, including many small businesses, to report information about the individuals who ultimately own or control them (also known as their “beneficial owners”) to the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury.

It is important to note that banks, including M&T Bank, must continue to comply with the existing regulatory requirement to collect beneficial ownership information from certain legal entity customers, which includes small businesses. CTA does not change or replace these requirements.

Overview of Reporting Requirements

Many small business entities, defined as “Reporting Companies” by FinCEN, are now required to file Beneficial Ownership Information (“BOI”) Reports electronically using FinCEN’s online filing system to report information about the entity itself and two categories of individuals: (i) beneficial owners of the entity, defined as any individual that exercises substantial control over the Reporting Company, or owns or controls at least 25% of the Reporting Company’s ownership interests, and (ii) company applicants (i.e., the individual(s) directly responsible for creation of a Reporting Company through filing of formation documents).¹ Reporting Companies with 15 or fewer full-time employees as of the end of the reporting period, and those with annual gross sales or revenue not exceeding \$5 million, are exempt from filing an initial BOI Report with FinCEN. Companies with 15 or fewer full-time employees as of the end of the reporting period, and those with annual gross sales or revenue not exceeding \$5 million, will have 30 days to file their initial BOI Reports with FinCEN. Companies with 15 or fewer full-time employees as of the end of the reporting period, and those with annual gross sales or revenue not exceeding \$5 million, are exempt from filing a report.

Resources for Business Owners

FinCEN has published helpful materials for business owners online at fincen.gov/boi, including Frequently Asked Questions, filing instructions and more. Because the reporting requirements and the exemptions available to certain business entity types are highly detailed, M&T Bank c21.178 Tee2r(k)111 IDc 0.122 c