

ACTION MAY BE NEEDED!

A GUIDE TO THE CORPORATE TRANSPARENCY ACT

WHAT IS THE CORPORATE TRANSPARENCY ACT'S PURPOSE?

The purpose of the Corporate Transparency Act is to “better enable critical national security, intelligence, and law enforcement efforts to counter money laundering, the financing of terrorism, and other illicit activity” by creating a national registry of beneficial ownership information for “reporting companies.”

WHO IS IMPACTED?

A “reporting company” is any business entity that is formed by filing with the Secretary of State or similar office. There are 23 exemptions to what is considered a “reporting company,” including, but not limited to Large Operating Companies*, financial institutions, public companies, and accounting firms.

* Entities with a US presence, more than 20 full-time employees, and filed federal tax returns showing more than \$5 million in gross receipts and sales.

DUE DATES

Existing Companies:
Before January 1, 2025

Companies Formed After January 1, 2024:
Likely 30 days to report after confirmation of filing.

WHAT DO YOU NEED TO REPORT?

“Reporting companies” are required to report to Financial Crimes Enforcement Network (FinCEN) the following information:

1. Company Information
2. Beneficial Owner Information
3. Company Applicant Information**

** Company Applicant Information not required for companies existing prior to January 1, 2024.

COMPANY INFORMATION

1. Legal Name
2. Trade Name
3. Business Address
4. Jurisdiction of Formation
5. ID Number

(Taxpayer Identification Number or Employee Identification Number)

BENEFICIAL OWNER INFORMATION

1. Name
2. Date of Birth
3. Residential Address
4. Driver's License or Passport Number
5. Image of Driver's License or Passport

COMPANY APPLICANT INFORMATION

1. Name
2. Date of Birth
3. Address – Residential or Business
4. Driver's License or Passport Number
5. Image of Driver's License or Passport

WHO IS A BENEFICIAL OWNER?

Any individual who:

1. Exercises substantial control over the reporting company, such as senior officers or those with authority to enter into significant contracts; or
2. Owns or controls at least 25% of the ownership interests (stocks, equity, shares, etc.) of the reporting company.

WHO IS A COMPANY APPLICANT?

Any individual who either:

1. Directly files the Certificate of Formation or Certificate of Incorporation with the Secretary of State; or
2. Directs or controls the filing