

Corporate Transparency Act

Beneficial Ownership Reporting

The Corporate Transparency Act (“CTA”) became effective on January 1, 2024. The CTA requires most legal entities to file reports with the Department of Treasury’s Financial Crimes Enforcement Network (“FinCEN”) disclosing the beneficial owners of such entities doing business in the United States.

Millions of small businesses will be required to file Beneficial Ownership Information (“BOI”) reports with FinCEN. Entities required to file BOI reports are called “reporting companies.”

What is a Reporting Company?

- limited liability company
- corporation
- limited partnership, or
- any other entity

In each case, created by the filing of a document with the secretary of state (or similar office). Any foreign limited liability company, corporation, or other entity that has registered to do business in any State or tribal jurisdiction by the filing of a document with a secretary of state (or similar office).

FinCEN’s final rule details [23 exemptions](#) for entities not required to file a report with FinCEN.

What must be reported?

Reporting Company Information: A reporting company must report: (i) its full legal name; (ii) any trade names or “doing business as” names; (iii) complete current address; (iv) jurisdiction of formation; and (v) Employer Identification Number.

Beneficial Owner Information: For each individual who is a beneficial owner or a company applicant of the reporting company: (i) full legal name; (ii) date of birth; (iii) complete current residential street address; (iv) unique identifying number and issuing jurisdiction from an acceptable identification document; and (v) an image of the document with the unique identifying number.

Company Applicants: For reporting companies formed on or after January 1, 2024, the reporting company must file the same information required for a beneficial owner for the “company applicant.” A Company Applicant is (i) the individual who directly files the documents that formed or registered the reporting company with the relevant government office; and (ii) the individual primarily responsible for directing or controlling such filing if more than one individual is involved in the filing of the document. There may be up to two company applicants reported.

Who are Beneficial Owners?

Beneficial Owners: Any individual who exercises substantial control over such reporting company or controls at least 25% of the ownership interests of such reporting company. Individuals with “substantial control” over a reporting company are those who serve as senior officers; have the authority to appoint or remove senior officers or a majority of the Board of Directors; direct, determine or have substantial influence over important decisions made by the reporting company; or exercise any other form of substantial control over the reporting company.

When Must Reporting Companies File?

Reporting companies formed before January 1, 2024 have until January 1, 2025 to file their initial report.

Reporting companies formed between January 1, 2024 and January 1, 2025 have ninety (90) days from creation to file their initial report.

Reporting companies formed on or after January 1, 2025 have thirty (30) days to file their initial report.

Reporting companies must also file any changes to the BOI on record.

How Reporting companies file?

Reports are filed online using the [FinCEN BOI Portal](#).

For more information, please refer to the [Beneficial Ownership Information Reporting Frequently Asked Questions](#).

Please contact us if you would like our assistance with your potential reporting obligations under the Corporate Transparency Act.