

# CORPORATE TRANSPARENCY ACT

## Part I: The Law

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## What is the CTA?

- The Corporate Transparency Act (the “**CTA**”)
- Enacted as part of the Anti-Money Laundering Act of 2020
- Implemented by the Financial Crimes and Enforcement Network (“**FinCEN**”)
- Establishes reporting obligations that will require reporting companies to file a report with FinCEN identifying beneficial owners and company applicants
- Designed to primarily apply to smaller, private entities, not large or otherwise highly regulated companies

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## What Has Happened Since January 1, 2024?

- FinCEN launched its BOI E-Filing System on January 1<sup>st</sup>
- Reports can be filed, and individuals can obtain FinCEN Identifiers, on FinCEN's website (<https://www.fincen.gov/boi>)
- BOI Access and Safeguards final regulations went into effect on February 20<sup>th</sup>
- FinCEN has continued to update its FAQs
- As of May 6<sup>th</sup>, over 1.7 million entities had filed BOI reports (with 32.6 million reports expected to be filed in 2024)

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## Is the CTA Constitutional?

- On March 1<sup>st</sup>, an Alabama district court found the CTA unconstitutional in *National Small Business United v. Yellen*.
- **BUT**...the injunction issued in that case only prohibits enforcement of the BOI reporting requirements against the plaintiffs, including then members of the National Small Business Association.
- FinCEN has appealed.
- Additional cases have been filed in other jurisdictions (including *Texas Top Cop Shop v. Garland* in Texas).

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# How Are Reports Made?



FINANCIAL CRIMES  
ENFORCEMENT NETWORK

BOI E-FILE | FILE BOIR | HELP

## File the Beneficial Ownership Information Report (BOIR)

Select the filing method that works best for you:



### File PDF BOIR

- Adobe Reader is required
- Prepare report offline at your own pace, save as you go
- Reuse PDF BOIR when filing updates/corrections
- Download BOIR transcript upon submission

Prepare BOIR

Submit BOIR



### File Online BOIR

- Adobe Reader NOT required
- Prepare report online and submit now
- Prepare new Online BOIR when filing updates/corrections
- Download BOIR transcript upon submission

Prepare & Submit BOIR

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## Beneficial Ownership Information Report

Home

Reporting Company

Company Applicant(s)

Beneficial Owner(s)

34. (This item is reserved for future use)

### Part III. Beneficial Owner Information

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35. Parent/Guardian information instead of minor child ☐ (check if the Beneficial Owner is a minor child and the parent/guardian information is provided instead)

#### Beneficial Owner FinCEN ID:

36. FinCEN ID

#### Exempt entity:

37. Exempt entity ☐

#### Full legal name and date of birth:

38. \* Individual's last name or entity's legal name

39. \* First name

40. Middle name

41. Suffix

42. \* Date of birth

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# What Entities Are "Reporting Companies"?

- Domestic entities created by the filing of a document with a secretary of state or similar office of a U.S. state or Indian tribe
  - FAQ C.7 (1/12/2024): Includes U.S. territories – Puerto Rico, Northern Mariana Islands, American Samoa, Guam, and the U.S. Virgin Islands
- Similar foreign entities registered to do business in the United States

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## Title search: Corporate Transparency Act Part 1: The Law

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