

GET INFORMED AND PREPARE FOR CTA COMPLIANCE

We have answers to frequently asked questions about the Corporate Transparency Act and compliance.

What is the Corporate Transparency Act?



The Corporate Transparency Act (CTA) is a U.S. federal law that was passed in 2020.

Its primary aim is to combat financial crimes by requiring certain companies to report their **beneficial ownership information (BOI)** to the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN).



\$1.4 TO \$3.5 TRILLION

The **annual U.S. cost** of money laundering & associated crimes.



MOST BUSINESSES IN THE U.S. WILL NEED TO COMPLY

The CTA applies to a range of private legal entities, including **corporations, limited liability companies (LLCs), and other similar entities.**



How Many Businesses Will Be Impacted by CTA Requirements?

This new federal law will apply to more than **32 million** small and medium-sized businesses during its first year and **5 million** additional companies each year thereafter.



Who is Considered a Beneficial Owner?

Individuals who own or control at **least 25%** of the company or **exercise substantial control** over the company.

What Beneficial Ownership Information is Needed to Comply?



Names

Government Issued IDs

Addresses

Dates of Birth

Images of ID Documents



Are Any Companies Exempt from Filing?

Certain categories of companies, such as **publicly traded companies, non-profit organizations, and entities with a substantial number of employees**, are exempt. Consult an attorney to determine if your company may be exempt.



Are There Penalties?

Failure to comply may bring a fine of **\$500 per day**. A willful refusal to file, or willfully filing false information, is punishable as a felony by **up to two years imprisonment**.

KEY DATES & DEADLINES



- CTA became effective **January 1, 2024**.
- New companies will have **90 days to comply** in 2024, and then 30 days starting January 1, 2025.
- Existing companies will have **one year to comply**.



Does the CTA Apply to Foreign-Owned Companies Operating in the U.S.?

Yes, the **CTA applies to entities formed outside the U.S.** if they are registered to do business in the U.S.

WHY FinCEN REPORT?

- ✓ Developed by an attorney and author of the Corporate Transparency Act Compliance guide.
- ✓ Streamlined system created for busy business owners, and the professionals that manage their compliance.
- ✓ Easy single and multiple-company filing systems.
- ✓ Robust data privacy and security features.
- ✓ Affordable filing options for all company types.

