

The Corporate Transparency Act (CTA)

What you need to know

What is the CTA and its purpose?

What is the CTA?

As of January 1, 2024, the new Corporate Transparency Act (CTA) went into effect requiring most entities to report all Beneficial Owners Information (BOI) to the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN).

Why?

The purpose of the CTA is to stop bad actors performing illicit activities while hiding behind anonymous shell companies or other opaque ownership structures.

Information and Access:

What identifying information is reported?

Reporting Company	Beneficial Owner / Company Applicant
Entity Name	Name
Trade Name	Date of Birth
Principal Address	Residential Address
State of Formation or Registration	Unique ID number (such as driver's license, State ID, passport) and expiration date
Tax ID Number (EIN)	Scanned copy of such ID document

Who Will Have Access to My Info?

Beneficial owner information (BOI) is confidential and not available to the public.

FinCEN is authorized to disclose BOI to certain Federal, State, local, and foreign officials, after submitting a formal request, for issues related to national security, intelligence, and law enforcement.

What is a FinCEN ID and do I need one?

Individuals have the option to apply for a unique FinCEN ID [here](#), which may then be provided in lieu of the required information. This will make it easier for Business Owners with many entities to file their BOIRs as well as updating them should any changes be made to your BOI.

Reporting Companies:

Who needs to file?

- Domestic or Foreign entities created by filing with Secretary of State of any US state or territory
- This includes LLCs, Corporations, LPs, LLPs etc.
- General Partnerships or Sole Proprietorships and some Trusts not filed with the SOS are not required to file even if it filed for a DBA or EIN

Exemptions

There are 23 exemptions that fall into these categories

- Entities otherwise regulated by federal agencies (such as Banks and 501(c)3 Nonprofits)
- Large operating companies with 20 or more full-time U.S. employees and \$5 million in gross receipts or sales filed on their previous years income tax return
- Inactive entities that have existed on January 1, 2020
- Subsidiaries of certain exempt entities

A more detailed list of exempt entities and qualifications can be found on page 4-14 of FinCEN's Small Business Compliance Guide [here](#)

Deadlines, Frequency, and Penalties:

For Entities Formed or Registered	Deadline
2023 or earlier	January 1, 2025
2024	90 Days
2025 & onward	30 Days

Filing Frequency

- One-time filing
- Must be updated within 30 days of any changes to the BOI

Penalties:

- Civil penalties up to \$500 per day
- Criminal penalties of a \$10,000 fine and/or 2 years imprisonment

Am I responsible? It is the responsibility of the "beneficial owner" of these entities to ensure the report is filed.

You may be responsible to gather information on your company's ownership structure to determine which entities, if any, may be subject to this reporting requirement, and to comply with the CTA.

Feel free to reach out to Elliott Teitelbaum or Tzvi Weiser with any CTA-related questions.

The Report: Who needs to be listed?

Beneficial Owners

Any individual who:

- Exercises **Substantial Control** over the reporting company
 - This includes Senior Officers such as CEO, CFO, COO, General Counsel, or anyone who performs similar functions
- Has a 25% of **Ownership Interest**

Company Applicant

- The one who directly files the entity with the State
- The one who is primarily responsible for directing the filing for formation of the entity
- Only for entities created from Jan. 1, 2024 and onward

A more detailed explanation of possible Beneficial Owners can be found on page 17 & 18 of FinCEN's Small Business Compliance Guide [here](#)

How can I file?

You can file your BOIR directly with FinCEN [here](#)

NUCO Filings is offering two fast and easy ways to file your BOIR:

1. You can place an order via our new Entity Management portal [here](#)
2. By reaching out via email to orders@nucofilings.com

Additional Resources:

You may find more information on our CTA Page on our website [here](#) As well as on FinCEN's Small Business Resources page [here](#)

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