

1. What is the Corporate Transparency Act?
 - Congress enacted the Corporate Transparency Act (CTA) on January 1, 2021, to address the growing problem of bad actors who hide or benefit from their ill-gotten gains through shell companies or other opaque ownership structures. To prevent these abuses, Congress has given authority to the Financial Crimes Enforcement Network (FinCEN) to collect the beneficial ownership information (BOI) of corporations, limited liability companies, and other similar entities and make it available to authorized governmental authorities.
2. Who is a beneficial owner?
 - A beneficial owner is an **individual** who, directly or indirectly:
 - owns or controls at least 25% of the ownership interests of the entity, or
 - exercises substantial control over the entity.
3. What does “substantial control” mean?
 - An individual can exercise substantial control over a reporting company if they are a senior officer, an important-decision maker, they have the authority to approve or remove certain officers or a majority of directors, or they have any other form of substantial control over the reporting company.
4. Does my company have to report this information?
 - The CTA requires that “reporting companies” send information on beneficial owners. A reporting company is a corporation, limited liability company, or other similar entity that is created by filing a document with a secretary of state or other similar office under the law of a State or Indian Tribe; or formed under the law of a foreign country and registered to do business in the United States by the filing of a document with a secretary of state or a similar office under the laws of a State or Indian Tribe. There are 23 exemptions, including, among others, certain types of banks, money services businesses, venture capital fund advisers, regulated public utilities, credit unions, and brokers under the Securities Exchange Act of 1934.
5. What information regarding beneficial owners has to be reported?
 - For each beneficial owner, a reporting company will have to provide:
 - (1) The individual’s name;
 - (2) Date of birth;
 - (3) Residential address; and
 - (4) An identifying number from an acceptable identification document such as a passport or U.S. driver’s license, and the name of the issuing state or jurisdiction of identification document.
 - (5) The reporting company will also have to provide an image of the identification document used to obtain the identifying number.
6. When are the deadlines to report beneficial ownership information to FinCEN?
 - A reporting company created before January 1, 2024, will have until January 1, 2025 to file its beneficial ownership information.
 - A reporting company created during the calendar year of 2024 will have 90 calendar days after receiving notice of the company’s registration to file its initial BOI report.

- A reporting company registered on or after January 1, 2025, will have 30 calendar days from actual or public notice of the company's creation or registration to file their initial BOI reports with FinCEN.
7. Is my company exempt?
- 23 types of entities are exempt from beneficial ownership information reporting requirements. Notable exemptions include:
 - Large operating companies:
 - (1) employ more than 20 full-time employees in the United States;
 - (2) has filed in the previous year a federal income tax or information return in the United States demonstrating more than \$5M in gross receipts or sales; **and**
 - (3) has an operating presence at a physical office within the United States.
 - Certain Tax-Exempt entities
 - Certain trusts
8. Who can access information reported to FinCEN?
- FinCEN will allow Federal, State, local and Tribal officials, as well as certain foreign officials, to obtain beneficial ownership information or activities related to national security, intelligence, and law enforcement. Financial institutions will also have access in certain circumstances, with the consent of the reporting company.
9. What happens if beneficial owners change?
- If there is a change to the required information about your company or its beneficial owners in a beneficial ownership information report, then the company must file an updated report no later than 30 days after the date of the change.
10. What penalties can I face if my company does not file its BOI and is not exempt?
- A person who willfully fails to file a BOI report may be subject to the \$500 civil penalty for each day the violation continues, and may be subject to criminal penalties of up to two years imprisonment and a fine of up to \$10,000.
11. What penalties can I face for not correcting false information in a BOI report?
- A person who fails to correct and update false information in a BOI report may be subject to civil penalties of \$500 for each day the violation continues. That person may also be subject to criminal penalties of up to two years imprisonment and a fine of up to \$10,000.