



The Corporate Transparency Act

Requirements and solutions



ABOUT THE CORPORATE TRANSPARENCY ACT

Originally enacted in January 2021 as part of the 2021 National Defense Authorization Act, the Corporate Transparency Act (CTA) seeks to protect national interests and prevent “malign actors” from concealing their ownership of an entity in the United States to engage in illicit activity.

The CTA requires corporations, LLCs, or similar entities that fall under the definition of a “reporting company” to submit a filing to the Financial Crimes Enforcement Network (FinCEN) containing information regarding the individuals who directly or indirectly own or control a company.

DOES THE CTA APPLY TO MY BUSINESS?

Companies required to report are called reporting companies, of which there are two types.

- Domestic reporting companies are corporations, limited liability companies (LLCs), and any other entities created by the filing of a document with a secretary of state or any similar office in the United States.
- Foreign reporting companies are entities (including corporations and LLCs) formed under the law of a foreign country that have registered to do business in the United States by the filing of a document with a secretary of state or any similar office.

There are 23 types of entities that are exempt from the reporting requirements:

- Securities reporting issuer
- Government authority
- Bank
- Credit union
- Depository institution holding company
- Money services business
- Broker or dealer in securities
- Securities exchange or clearing agency
- Other Exchange Act registered entity
- Investment company or investment adviser
- Venture capital fund adviser
- Insurance company
- State-licensed insurance producer
- Commodity Exchange Act registered entity
- Accounting firm
- Public utility
- Financial market utility
- Pooled investment vehicle
- Tax-exempt entity
- Entity assisting a tax-exempt entity
- Large operating company
- Subsidiary of certain exempt entities
- Inactive entity





REPORTING REQUIREMENTS AND DEADLINES

Required information for a Beneficial Ownership Information (BOI) Report

Information to report for each reporting company

- Full legal name of the reporting company
- All trade names, fictitious names, or doing business as (DBA) names, regardless of whether the name is registered
- Street address of principal place of business
- Jurisdiction of formation (state or tribal)
- IRS taxpayer identification number (TIN)

Beneficial owner information

- “Beneficial owner” is defined as an individual who either directly or indirectly: (1) exercises substantial control over the reporting company, or (2) owns or controls at least 25% of the reporting company’s ownership interests.

A reporting company must provide for each beneficial owner

- Full legal name of the individual
- Date of birth for the individual
- Residential street address
- A unique identifying number from certain government documents issued to the individual
- An image of the document that provided the unique identifying number that also includes a photograph of the individual. Acceptable documents include:
 - » U.S. passport
 - » State drivers license
 - » Identification document issued by a state, local government, or tribe
 - » Foreign passport (to be submitted only if the above documents are not available)

Alternatively, a FinCEN ID can be substituted for the information above.

Company applicant information if the reporting company is formed on or after January 1, 2024

- Each reporting company that’s required to report company applicants will have to identify and report to FinCEN at least one company applicant, and at most, two. There are two categories of company applicants:
 - » The individual who directly files the document that creates or registers the company
 - » And, if more than one person is involved in the filing, the individual who is primarily responsible for directing or controlling the filing



Company application information for entities formed on or after January 1, 2024

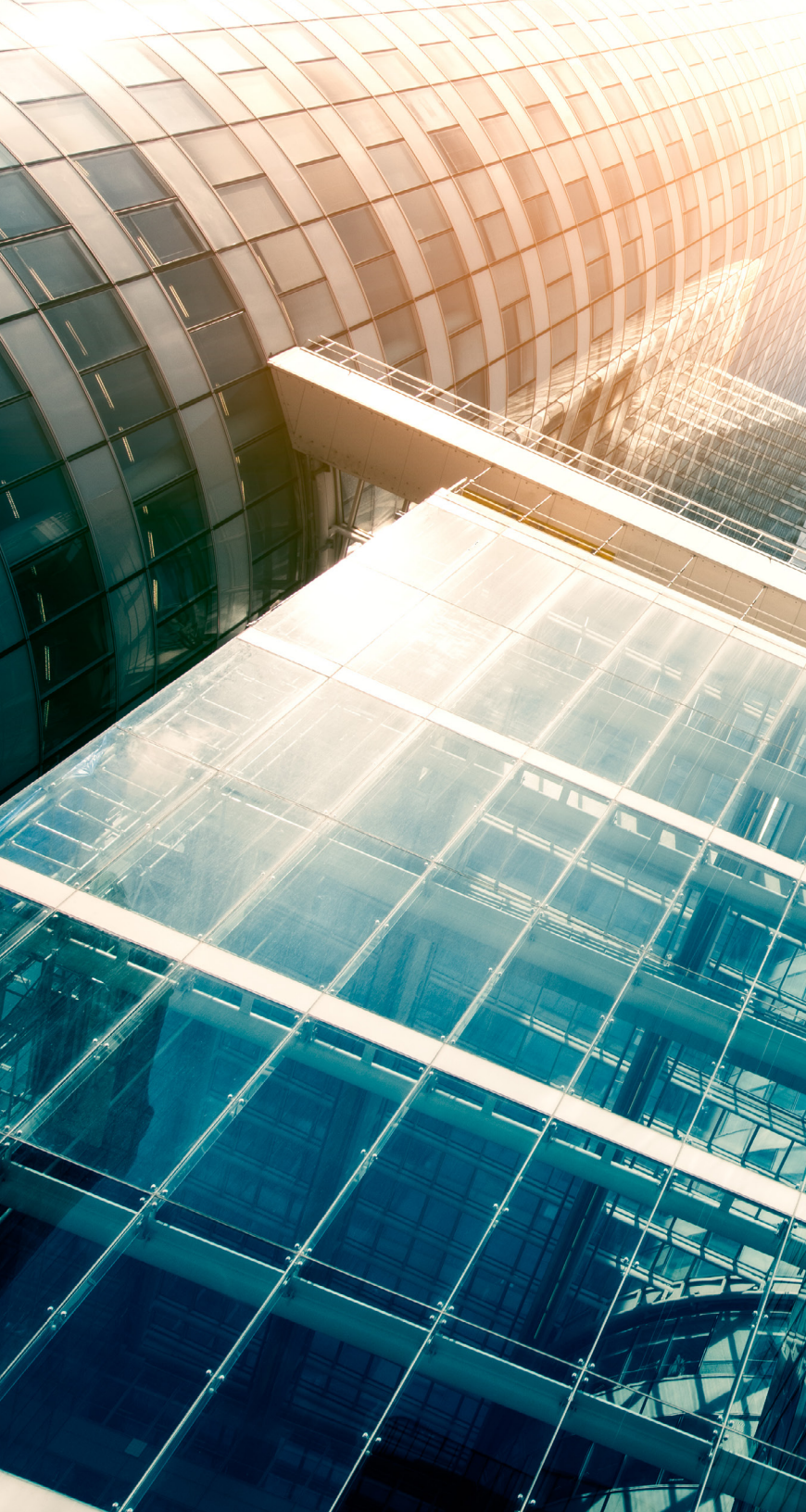
A reporting company must provide for each company applicant:

- Full legal name of the individual
- Date of birth for the individual
- Address for company applicant:
 - » If company applicant filed the formation or registration document in the course of the company applicant's business, then the street address of such business must be reported; in all other cases, the reporting company must provide the residential street address for the company applicant
- A unique identifying number from certain government documents issued to the individual
- An image of the document that provided the unique identifying number that also includes a photograph of the individual. Acceptable documents include:
 - » U.S. passport
 - » State drivers license
 - » Identification document issued by a state, local government, or tribe
 - » Foreign passport (to be submitted only if the above documents are not available)

Alternatively, a FinCEN ID can be substituted for the information above.

A "FinCEN identifier" is a unique identifying number that FinCEN will issue to an individual or reporting company upon request after the individual or reporting company provides certain information to FinCEN.

Individuals may electronically apply for FinCEN identifiers at fincenid.fincen.gov/landing. In the application, an individual must provide their name, date of birth, address, unique identifying number and issuing jurisdiction from an acceptable identification document, and an image of the identification document—the same four pieces of personal information and image that reporting companies submit about beneficial owners and company applicants in BOI reports.



Deadlines

Existing reporting companies (domestic reporting companies in existence before January 1, 2024 and foreign reporting companies registered prior to January 1, 2024)

Reporting deadline—initial report must be filed with FinCEN no later than January 1, 2025.

New reporting companies (domestic reporting companies formed on or after January 1, 2024 and foreign reporting companies first registered on or after January 1, 2024)

Reporting deadline—initial report must be filed within 90 calendar days after the earlier of:

- The date on which the reporting company receives actual notice that its creation or registration has become effective
- The date on which a secretary of state or similar office first provides public notice, such as through a publicly accessible registry, that the reporting company has been created or registered



Use our [CTA eligibility quiz](#) for a step-by-step walkthrough to determine if your entity needs to file.

HOW CSC CAN HELP

Beneficial Ownership Information (BOI) Filing service

Let our team of experts prepare and file your BOI reports with FinCEN.

CSC currently offers Beneficial Owner Filing services in 12 international jurisdictions with requirements similar to the CTA. Drawing upon this experience, our dedicated team will:

- ✓ Securely collect required beneficial owner and company applicant information
- ✓ Manage the outreach necessary to obtain BOI and supporting documents upon request
- ✓ Prepare and file your BOI reports with FinCEN
- ✓ Provide order submission confirmation and related evidence

CSC offers comprehensive support for all four types of BOI reports:

- ✓ Initial reports
- ✓ Corrections of prior reports
- ✓ Updates to prior reports
- ✓ Newly exempt entity reports

CSC is here to help. Our full service framework and industry leading team of experts will ensure compliance with the CTA, allowing you to focus on your strategic business priorities.

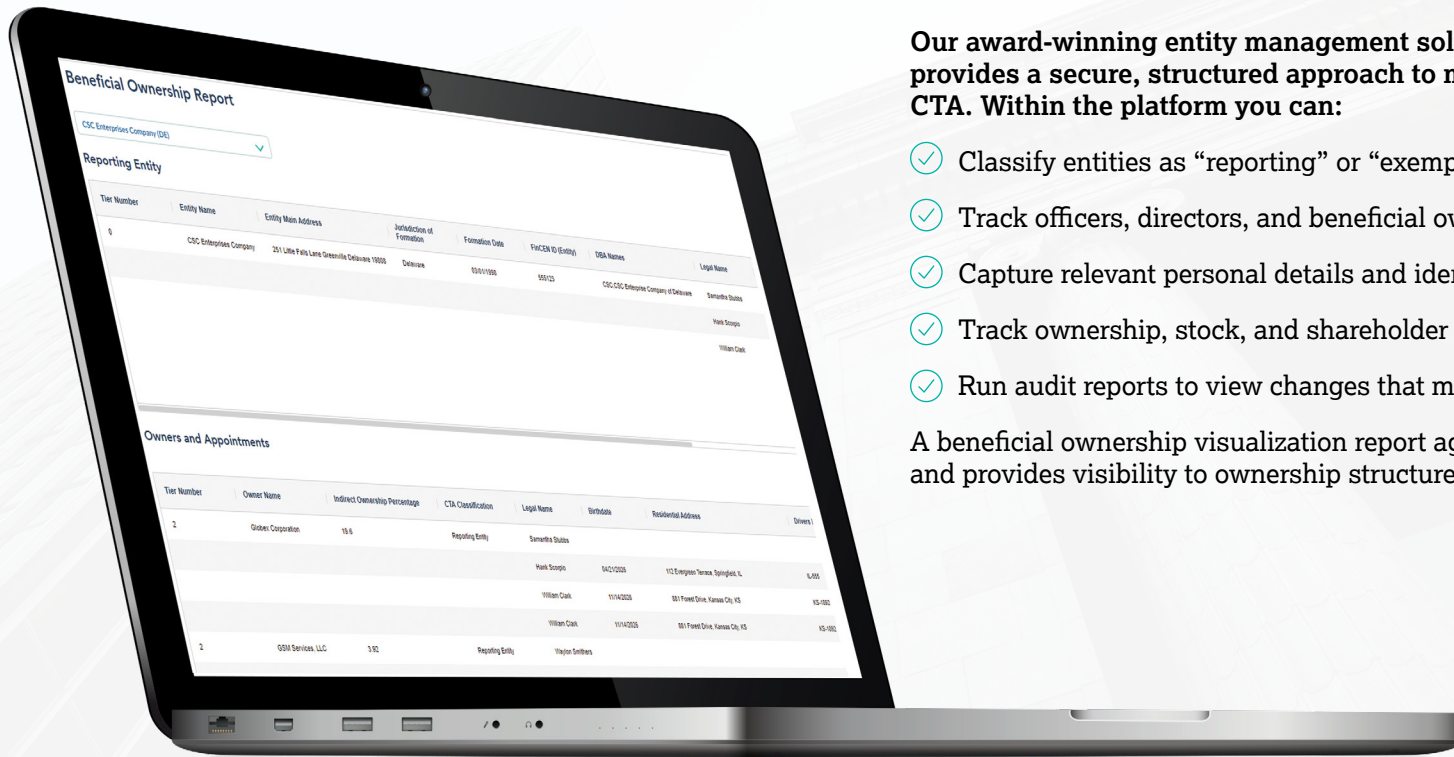
Bulk filing and custom CTA solutions

A custom-tailored CTA service may provide substantial value if:

- ✓ The entity portfolio contains a high volume of reporting companies
- ✓ There are numerous entity formations in the coming months
- ✓ Beneficial ownership changes may require numerous updated CTA filings

Our team is happy to consult with you regarding your specific requirements for large or complex CTA filing projects.





CSC ENTITY MANAGEMENT

Our award-winning entity management solution—CSC Entity ManagementSM—provides a secure, structured approach to managing information required by the CTA. Within the platform you can:

- ✓ Classify entities as “reporting” or “exempt”
- ✓ Track officers, directors, and beneficial owners, both direct and indirect
- ✓ Capture relevant personal details and identifying documents for beneficial owners
- ✓ Track ownership, stock, and shareholder information
- ✓ Run audit reports to view changes that may prompt amended CTA filings

A beneficial ownership visualization report aggregates data required for CTA filings and provides visibility to ownership structures and beneficial owners.



For more information on the CTA, or to schedule a demonstration of how CSC can help you manage BOI, visit our CTA resource page on [cscglobal.com](https://www.cscglobal.com).



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