

Question	Answer																								
What is the Corporate Transparency Act (“CTA”)?	The CTA was enacted by Congress on January 1, 2021, as part of the Anti-Money Laundering Act of 2020 included in the National Defense Authorization Act for Fiscal Year 2021. The CTA requires existing and newly formed reporting companies to disclose information regarding their beneficial owners to the U.S. Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”). The CTA and the disclosure obligations it imposes upon Reporting Companies is designed to help safeguard U.S. national security and provide law enforcement agencies with an additional tool to fight a variety of financial crimes.																								
What is a “Reporting Company” under the CTA?	<p>Domestic Reporting Company: corporations, limited liability companies, and any other type of entity that is created by the filing of a document with the secretary of state or similar office under the law of a state or Indian tribe.</p> <p>Foreign Reporting Company: corporations, limited liability companies, and any other type of entity that is formed in a foreign country and such entity has registered to do business in any state or tribal jurisdiction in the U.S.</p>																								
Are there any exemptions available to entities that would otherwise be qualified as a Reporting Company?	<p>There are 23 exemptions that exempt an otherwise Reporting Company from filing a beneficial ownership information report (“BOI Report”). The 23 exemptions are:</p> <table border="0"> <tr> <td>• Depository institution holding company</td> <td>• Securities reporting issuer</td> <td>• State-licensed insurance producer</td> </tr> <tr> <td>• Securities exchange or clearing agency</td> <td>• Governmental authority</td> <td>• Accounting firm</td> </tr> <tr> <td>• Other Exchange Act registered entity</td> <td>• Bank</td> <td>• Public utility</td> </tr> <tr> <td>• Investment company or investment adviser.</td> <td>• Credit union</td> <td>• Financial market utility</td> </tr> <tr> <td>• Commodity Exchange Act registered entity.</td> <td>• Money services business</td> <td>• Tax-exempt entity</td> </tr> <tr> <td>• Pooled investment vehicle.</td> <td>• Broker or dealer in securities</td> <td>• Large operating company*</td> </tr> <tr> <td>• Entity assisting a tax-exempt entity.</td> <td>• Venture capital fund adviser</td> <td>• Inactive entity</td> </tr> <tr> <td>• Subsidiary of certain exempt entities.</td> <td>• Insurance company</td> <td></td> </tr> </table> <p>* available to entities that (1) employ more than 20 full time employees in the U.S., (2) have an operating presence and physical office in the US, and (3) have filed a federal income tax or information return in the U.S. for the previous year demonstrating more than \$5 million in gross receipts or sales, excluding gross receipts or sales from sources outside the U.S.</p>	• Depository institution holding company	• Securities reporting issuer	• State-licensed insurance producer	• Securities exchange or clearing agency	• Governmental authority	• Accounting firm	• Other Exchange Act registered entity	• Bank	• Public utility	• Investment company or investment adviser.	• Credit union	• Financial market utility	• Commodity Exchange Act registered entity.	• Money services business	• Tax-exempt entity	• Pooled investment vehicle.	• Broker or dealer in securities	• Large operating company*	• Entity assisting a tax-exempt entity.	• Venture capital fund adviser	• Inactive entity	• Subsidiary of certain exempt entities.	• Insurance company	
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Do statutory trusts, business trusts or foundations qualify as Reporting Companies under the CTA?	If a state requires a statutory trust, business trust, or foundation to file a document with the secretary of state to be created or registered, then it is considered a Reporting Company.																								
What information does a Reporting Company need to report in a beneficial ownership information report (“BOI Report”)?	<p>Formed/Registered Prior to January 1, 2024: (1) information about itself and (2) its beneficial owners.</p> <p>Formed/Registered On/After January 1, 2024: (1) information about itself, (2) its beneficial owners, and (3) company applicant or applicants (as defined below).</p>																								
What information does a Reporting Company need to include about itself?	<table border="0"> <tr> <td style="vertical-align: top;"> <p>Domestic Reporting Company:</p> <ul style="list-style-type: none"> • Full legal name. • All trade, alternate, or doing business names. • Current street address of its principal place of business. • Jurisdiction of formation. • Taxpayer identification number </td> <td style="vertical-align: top;"> <p>Foreign Reporting Company:</p> <ul style="list-style-type: none"> • Full legal name. • All trade, alternate, or doing business names. • Current address which it conducts business in the U.S. • Jurisdiction of registration. • If taxpayer identification number has not been issued, a tax identification number issued but the country of formation and the name of the country of formation. </td> </tr> </table>	<p>Domestic Reporting Company:</p> <ul style="list-style-type: none"> • Full legal name. • All trade, alternate, or doing business names. • Current street address of its principal place of business. • Jurisdiction of formation. • Taxpayer identification number 	<p>Foreign Reporting Company:</p> <ul style="list-style-type: none"> • Full legal name. • All trade, alternate, or doing business names. • Current address which it conducts business in the U.S. • Jurisdiction of registration. • If taxpayer identification number has not been issued, a tax identification number issued but the country of formation and the name of the country of formation. 																						
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Who qualifies as a beneficial owner of a Reporting Company?	A natural person who either (1) owns, directly or indirectly, 25.00% of the equity interest of a Reporting Company or (2) exercises substantial control over the Reporting Company (e.g., senior officer of corporation, manager/managing member of a limited liability company).																								
What information does a Reporting Company need to include about their beneficial owners?	<ul style="list-style-type: none"> • Full legal name. • Date of birth. • Current residential address. • Unique identifying number, issuing jurisdiction, and an image of the document to which the unique identifying number comes from (e.g., US passport, state driver’s license, or identification document issued by a state, local government, or tribe). <p>Note: if a foreign citizen does not have a qualifying document, then must include foreign passport and the number issued thereunder as their unique identifying number.</p>																								
Are there any exceptions from the definition of beneficial owner?	<p>There are 5 limited circumstances in which an individual, who would otherwise be considered a beneficial owner, would not need to be disclosed on a Reporting Company’s BOI Report. The 5 exceptions are:</p> <table border="0"> <tr> <td>• Minor Child</td> <td>• Inheritor</td> </tr> <tr> <td>• Nominee, intermediary, custodian, or agent</td> <td>• Creditor</td> </tr> <tr> <td>• Employee</td> <td></td> </tr> </table>	• Minor Child	• Inheritor	• Nominee, intermediary, custodian, or agent	• Creditor	• Employee																			
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Who is a company applicant?	<p>A natural person, who either (1) physically files an entity’s formation/registration documents with the secretary of state or similar office under the law of a state or Indian tribe or (2) directs or controls the filing of formation/registration document.</p> <p>Note: Reporting Companies will always have 1, and no more than 2, company applicants.</p>																								

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What information does a Reporting Company need to include about a company applicant?	<ul style="list-style-type: none"> • Full legal name. • Date of birth. • Current residential or business address. • Unique identifying number, issuing jurisdiction, and an image of the document to which the unique identifying number comes from (e.g., US passport, state driver's license, or identification document issued by a state, local government, or tribe).
Do all Reporting Companies need to report their company applicant(s)?	No , only Reporting Companies formed/qualified on or after January 1, 2024 .
Is there an alternative way for Reporting Companies to identify company applicants and beneficial owners?	Yes, through a FinCEN identifier. A FinCEN identifier is a unique identifying number issued by FinCEN to a Reporting Company, company applicant and beneficial owners.
How does a company applicant or beneficial owner obtain a FinCEN identifier?	The company applicant or beneficial owner would make a request with FinCEN supplying all of the documentation a Reporting Company is required to disclose on its BOI Report.
What would be the benefit to obtain a FinCEN identifier?	The rules surrounding FinCEN identifiers are subject to ongoing rule making, but the general idea is a company applicant or beneficial owner would transmit personal information to FinCEN directly, rather than to the Reporting Company.
When is a non-exempt Reporting Company required to file its initial BOI Report?	<p>Formed/Registered Prior to January 1, 2024: No later than January 1, 2025.</p> <p>Formed/Registered On/After January 1, 2024, but Before January 1, 2025: 90 days from the date receives confirmation that the entity has been formed/registered.</p> <p>Formed/Registered On/After January 1, 2025: 30 days from the date receives confirmation that the entity has been formed/registered.</p>
After a Reporting Company files its initial BOI Report, are they obligated to update their information?	<p>Updated BOI Report: 30 days after the date of change to the Reporting Company's information or its beneficial owners.</p> <p>Corrected BOI Report: If an inaccuracy is identified in any BOI Report, a Reporting Company must correct the inaccuracy within 30 days after the date it became aware of or had reason to know of the inaccuracy.</p>
Do Reporting Companies need to keep their company applicant(s) information current?	No . A Reporting Company would only be required to update company applicant information if their information was inaccurate in the initial BOI Report.
What if an entity is initially exempt but no longer qualifies for an exemption?	The entity will become a Reporting Company and will have 30 days to file an initial BOI Report.
What if a Reporting Company files a BOI Report but later qualifies for an exemption?	The Reporting Company will have 30 days to file an updated BOI Report claiming an exemption.
Do entities/individuals face any penalties for non-compliance with the CTA requirements?	<ul style="list-style-type: none"> • Willful failure to report complete or update beneficial ownership information or the willful provision or attempt to provide false or fraudulent beneficial ownership information may result in civil or criminal penalties, including civil penalties of up to \$500 for each day that the violation continues, or criminal penalties, including imprisonment for up to 2 years and/or a fine of up to \$10,000; • Senior Officers that failed to file a BOI Report on behalf of a Reporting Company may be held accountable; and • Individuals who willfully cause a Reporting Company not to file a BOI Report or cause a Reporting Company to file incomplete/false beneficial ownership information, may face civil and/or criminal penalties.
How do Reporting Companies file a BOI Report?	Online only, no paper filings will be available. FinCEN is creating an online system called BOSS which will only become available on January 1, 2024 .
Are BOI Reports publicly accessible?	No . Only certain Federal, state, local, and Tribal officials, as well as certain foreign officials who submit a request through a U.S. Federal government agency can access a Reporting Company's BOI Report. Financial institutions, in limited circumstances, can access this information upon consent of the Reporting Company.
Is there a fee imposed on Reporting Companies for filing BOI Reports?	No , all BOI Reports are free.
Additional Resources	<ul style="list-style-type: none"> • Frequently Asked Questions • Small Entity Compliance Guide • Beneficial Ownership Information Homepage • Beneficial Ownership Information presented by FinCEN

**Disclaimer: The information stated in this CTA Q&A is intended to inform you of developments in the law and to provide information of general interest. It is not intended to constitute legal advice and should not be relied upon as such. There is no implicit guarantee that this information is correct, complete, or up to date. This CTA Q&A is not intended to create an attorney-client relationship between you and Mirick, O'Connell, DeMallie & Lougee, LLP when such relationship does not otherwise exist. This CTA Q&A may be considered advertising under the rules of the Massachusetts Supreme Judicial Court. This CTA Q&A is for informational purposes only. It is not intended to be a solicitation or offer to provide products or service to any individual or entity.*