

Corporate Transparency Act

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U.S. Chamber of Commerce



@SmallBizPatriot

WHAT IS THE CORPORATE TRANSPARENCY ACT

- Law aimed at curbing illicit financial activity
- Passed in 2021 as part of National Defense Authorization Act
- “Know your Customer” requirements for banks – basically the same thing, for small business owners



TERMS TO KNOW

- FinCEN – Financial Crimes Enforcement Network – Office in the Treasury Department
- Beneficial Owners – someone who has 25% or more ownership interest in company or who exercises substantial control over company
- Beneficial Ownership Information Report (BOIR)



EXEMPTIONS TO REPORTING

- 23 Exemptions
- Financial institutions, stock brokerages, insurance companies – basically any company that already has to comply with “know your customer” reporting
- Non-profits
- Incorporated entities that employ over 20 people and gross \$5 million a year



REPORTING DEADLINES

- Companies started before this year have until January 1, 2025 to file BOIR
- Companies started this year have 3-months after formation to file BOIR
- Filings must be updated w/in 30 days of any change



WHAT DO COMPANIES REPORT

- Name of company
- Trade name or DBA (Doing Business As)
- Address
- Tax ID Number



WHAT DO BENEFICIAL OWNERS REPORT

- Name
- Date of birth
- Address
- Proof through government issued ID



INTERESTING TIDBITS

- Beneficial Owners can apply for their own FinCEN ID
- Creditors are not Beneficial Owners
- Third party providers can file BOI reports
- Fines are as high as \$10K and 3 years in jail
- There is NO FILING FEE



Digital Resources

How to File a Beneficial Ownership Information Report for Your Business

Under the Corporate Transparency Act, U.S. small businesses must file beneficial ownership information reports with the Department of the Treasury.

By: *Danielle Fallon-O'Leary, Contributor*

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The Corporate Transparency Act (CTA), aimed at combating illicit financial activity, went into effect on January 1, 2024. — Getty Images/Tom Werner

Small Entity Compliance Guide



Reporting Requirements



Financial Crimes Enforcement Network
U.S. Department of the Treasury
Version 1.1 December 2023



FINANCIAL CRIMES
ENFORCEMENT NETWORK

[BOI E-FILING](#) | [FILE BOIR](#) | [HELP](#)

Beneficial Ownership Information Report (BOIR)

OMB No. 1506-0076

Complete the report in its entirety with all required information. Fields marked with an asterisk (*) symbol are the fields that, at a minimum, must be completed by all companies to file the report. Reporting companies, however, must include all information 31 CFR 1010.380(b) requires them to provide, regardless of whether a field is marked with an asterisk (*) symbol. These information requirements are summarized above under HELP.

[Filing Information](#)

[Reporting Company](#)

[Company Applicant\(s\)](#)

[Beneficial Owner\(s\)](#)

[Submit](#)

Filing Information

Need help?

*1. Type of filing:

- a. Initial report
- b. Correct prior report
- c. Update prior report
- d. Newly exempt entity

2. Date prepared (auto-filled)

02/22/2024

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