

## OVERVIEW OF THE CORPORATE TRANSPARENCY ACT

December 13, 2023

The Corporate Transparency Act (“CTA”) requires most smaller U.S. companies and many foreign companies formed or registered in a U.S. State (“Reporting Companies”) to timely report information about their beneficial owners and certain other individuals to the U.S. Financial Crimes Enforcement Network (“FinCEN”).

**Starting January 1, 2024:** Reporting Companies formed or registered in 2024 have 90 days after formation or registration to file their report

**Before January 1, 2025:** Reporting Companies formed or registered prior to January 1, 2024, must file their report by December 31, 2024

**What is a Reporting Company?** Any entity formed or registered in the United States by a filing with a U.S. State unless one of 23 exemptions applies

### Who is a Beneficial Owner?

- Any person that directly or indirectly owns more than 25% of the Reporting Company
- Certain executive officers and other control persons

### What Should You Do Now?

- Develop policies and procedures to comply with the CTA
- Determine which of your entities are Reporting Companies
- Identify Beneficial Owners of each Reporting Company
- Notify Beneficial Owners of CTA requirements and gather required identifying information
- Encourage Beneficial Owners to obtain a FinCEN Identifier number
- Update entity governing documents to address reporting requirements
- Close any inactive entities before January 1, 2024

This high level summary was prepared by Carrington, Coleman, Sloman & Blumenthal, L.L.P. for your information only and should not be relied upon as legal advice. Determination of

beneficial ownership and reporting requirements can be complex, and you are encouraged to consult with your attorney.

