

## **What is the CTA?**

The Corporate Transparency Act (CTA) went into effect on January 1, 2024 and requires corporations, limited liability companies and other reporting entities that have filed with a secretary of state (through creation or registration to do business) to report certain information about the entity to the Financial Crimes Enforcement Network (FinCEN) through filing a Beneficial Ownership Information Report (BOI Report).

**Reporting entities that were formed (or registered to do business, if a foreign entity) prior to January 1, 2024, must file a BOI Report by January 1, 2025. Reporting entities that are formed or registered during the 2024 calendar year must file a BOI Report within 90 days of formation or registration. Reporting entities formed or registered on or after January 1, 2025 must file a BOI Report within 30 days of formation or registration. Failure to comply with CTA reporting requirements may result in significant civil and criminal penalties for the reporting entity and its Beneficial Owners.**

## **Who Must File and Exemptions**

### *Who Must File*

All entities (domestic and foreign) that were created or registered to do business by filing a document with the secretary of state of similar office in the United States must file a BOI Report.

### *Exemptions to Filing*

There are 23 exemptions to filing, listed below. Please refer to the [Small Entity Compliance Guide](#) for specific requirements to qualify under each exemption.

- 1 Securities reporting issuer
- 2 Governmental authority
- 3 Bank
- 4 Credit union
- 5 Depository institution holding company
- 6 Money services business
- 7 Broker or dealer in securities
- 8 Securities exchange or clearing agency
- 9 Other Exchange Act registered entity
- 10 Investment company or investment adviser
- 11 Venture capital fund adviser
- 12 Insurance company
- 13 State-licensed insurance producer
- 14 Commodity Exchange Act registered entity
- 15 Accounting firm
- 16 Public utility
- 17 Financial market utility
- 18 Pooled investment vehicle
- 19 Tax-exempt entity

- 20 Entity assisting a tax-exempt entity
- 21 Large operating company
- 22 Subsidiary of certain exempt entities
- 23 Inactive entity

## **Filing**

### *Filing Yourself*

You may file the BOI Report by going to <https://www.fincen.gov/boi> and clicking “File a report using the BOI E-Filing System”. Before you file, you will need the following information about your entity and each of its Beneficial Owners:

<b>Reporting Entity</b>	<b>Beneficial Owner(s)</b>
Tax ID Number	Identifying information
Jurisdiction of Formation	
US Address	
	<ul style="list-style-type: none"> <li>• Address</li> <li>• Social Security Number</li> <li>• Image of ID</li> </ul>
	OR
	FinCEN ID Number (apply for a FinCEN ID at <a href="https://fincenid.fincen.gov/landing">https://fincenid.fincen.gov/landing</a> )

According to FinCEN,

A “*Beneficial Owner*” of an entity is any individual who, directly or indirectly, does any of the following:

- (1) exercises Substantial Control (defined below) over the entity;
- (2) owns or controls 25 percent or more of the ownership interests of the entity; or
- (3) receives substantial economic benefits from the assets of the entity.

“*Substantial Control*” is found if any individual (non-exhaustive):

- Serves as a senior officer or director of an entity;
- Has authority over the appointment or removal of officers or a majority of the board of directors of an entity; or
- Has substantial influence of important decisions in the entity.

If you have questions during the filing process, FinCEN has provided a few resources. First, please refer to the [Frequently Asked Questions](#) page. Additionally, the [Small Entity Compliance Guide](#), published by FinCEN in December 2023, breaks down the reporting requirements and exceptions in greater detail.

### *Filing Using a Service*

If you are looking for additional assistance when filing your BOI Report, you might consider a third party service, such as Capitol Services' CTA reporting tool, [CapitolBCM](#). CapitolBCM assists in determining whether your entity is exempt through the CTA Exemption Wizard, who in the entity qualifies as a Beneficial Owner, and what information to collect. When all necessary information has been provided, CTA will file the BOI Report on your behalf. Filing using Capitol Services is currently \$120.

### **Ongoing CTA Requirements**

Please note, it is your responsibility to keep the BOI Report up to date. The CTA generally requires all changes in Company and Beneficial Owner information to be reported within 30 days by filing an amended BOI Report. To file an amendment, go to <https://www.fincen.gov/boi> and click "File a report using the BOI E-Filing System".

### **\*\*CTA Update 2/24/2025\*\***

On February 18, 2025, the U.S. District Court for the Eastern District of Texas stayed its previously issued preliminary injunction on the Corporate Transparency Act (CTA). This means that, at least for now, the CTA and the beneficial ownership information (BOI) reporting requirements are once again back in effect. FinCEN, which administrates the BOI reporting requirements, has announced a 30-day deadline extension, which means that most reporting companies will be required to file a BOI report by **March 21, 2025**.

FinCEN is also considering further modifications to the reporting deadlines during this 30-day extension period, which may result in modified requirements for lower-risk entities. In any case, reporting companies must nevertheless be prepared to meet the current March 21, 2025, filing deadline. While further modifications to reporting requirements may be forthcoming, for now, companies should be aware of and comply with their reporting obligations.

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### **\*\*CTA Update 12/27/2024\*\***

#### **FinCEN Extends Corporate Transparency Act Filing Deadline; Fifth Circuit Reinstates Injunction**

On December 23, the US Court of Appeals for the Fifth Circuit stayed a lower court's nationwide injunction on the Corporate Transparency Act. In response, **FinCEN extended the filing deadline for existing entities** from January 1, 2025 to **January 13, 2025**. Then on December 26, a panel of the **Fifth Circuit vacated the stay and reinstated the injunction** blocking the CTA, pending further proceedings. For more information, visit FinCEN's BOI page at <https://fincen.gov/boi>.

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### **\*\*CTA Update 12/4/2024\*\***

#### **Compliance with the Corporate Transparency Act Temporarily Suspended**

On December 3, 2024, the U.S. District Court for the Eastern District of Texas issued a preliminary injunction for the enforcement of the Corporate Transparency Act (CTA), finding that the CTA is likely unconstitutional. This means that the Beneficial Ownership Information reporting requirements (existing entities required to file by 1/1/2025) are currently suspended. However, we anticipate additional commentary and appeals to the decision from FinCEN and are actively monitoring for updates. We

recommend that entities that are required to report under the CTA continue to gather the needed information in the event the preliminary injunction is lifted.

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The Corporate Transparency Act (CTA), which went into effect on January 1, 2024, requires reporting entities (unless exempt) to file certain information about the entity and its beneficial owners with the Financial Crimes Enforcement Network (FinCEN) by the end of 2024.

**You may be required to file a Beneficial Ownership Information Report (BOI Report) under the CTA.** See here for general information and resources about the CTA.

**DISCLAIMER**

**The above information is a general overview of the CTA requirements. It is not legal advice and is for informational purposes only. For more information, please visit the official FinCEN website at <https://www.fincen.gov/boi>.**