

GUIDE TO THE CORPORATE TRANSPARENCY ACT

The purpose of the Act is to help national security and law enforcement detect, prevent, and punish terrorism, money laundering, and other misconduct involving United States entities by creating a national registry of “beneficial ownership information” for “reporting companies.”

What is a Reporting Company?

A “Reporting Company” is any business entity that files formation documents with the Secretary of State or similar office. This includes corporations, limited liability companies, and limited partnerships.

Exceptions: There are 23 exceptions to the definition of a “Reporting Company”, the most common being non-profits and Large Operating Companies.**

**Large Operating Companies are companies that have a physical office in the US, employ more than 20 full-time employees in the US, and file federal income tax returns showing more than \$5 million in gross receipts or sales.

Information Reported:

- 1) Reporting Company
- 2) Beneficial Ownership Information
- 3) Company Applicant Information*

Due Dates for Reports:

New Entity formed in 2024 – 90 days
New Entity formed in 2025 – 30 days
Existing Entity – Before 2025
Change in Info – 30 days

Reporting Company

- 1) Legal Name
- 2) Trade Name
- 3) Business Address
- 4) State of Formation
- 5) ID Number (Tax Identification Number or Employee Identification Number)

Beneficial Ownership Information

- 1) Full name
- 2) Date of Birth
- 3) Residential Address
- 4) Driver’s License/Passport Number
- 5) Image of DL or Passport

Company Applicant Information*

- 1) Name
- 2) Date of Birth
- 3) Residential/Business Address
- 4) Driver’s License/Passport Number
- 5) Image of DL or Passport

Who is a Beneficial Owner?

Any individual who:

- 1) Owns or controls at least 25% of the ownership interests of a Reporting Company
- 2) Exercises “substantial control” over the Reporting Company, such as senior officers or directors.

Who is a Company Applicant?*

Any individual who:

- 1) Directly files the formation documents with the Secretary of State
- 2) Directs or controls the filing.

You can have multiple Company Applicants.

*Not reported for existing entities before January 1, 2024.