

# Corporate Transparency Act: What is Ownership Interest?

Reporting Companies are required to identify **all** individuals who own or control at least 25 percent of the **ownership interests** of the company. Any of the following may be an ownership interest: equity, stock, or voting rights; a capital or profit interest; convertible instruments; options or other non-binding privileges to buy or sell any of the foregoing; and any other instrument, contract, or other mechanism used to establish ownership. A Reporting Company may have multiple types of ownership interests. The following chart identifies the ownership interest types and provides examples.

## OWNERSHIP INTERESTS



### EQUITY, STOCK OR VOTING RIGHTS

any interest classified as stock or anything similar, regardless whether it confers voting power or voting rights, and even if the interest is transferable

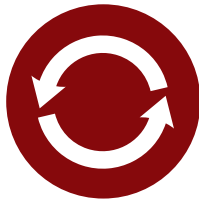
EXAMPLES include:

- equity, stock or similar instrument
- preorganization certificate or subscription
- transferable share of, or voting trust certificate or certificate of deposit for, an equity security, interest in a joint venture, or certificate of interest in a business trust



### CAPITAL OR PROFIT INTEREST

any interest in the assets or profits of a company organized as a LLC, which is similar to stock in a corporation and sometimes referred to as a "unit" or "membership interest"



### CONVERTIBLE INSTRUMENTS

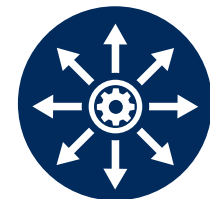
any interest convertible into **equity, stock, or voting rights** or **capital or profit interest**, whether or not anything needs to be paid to exercise the conversion. The RELATED items are also ownership interests:

- any future on any convertible instrument
- any warrant or right to purchase, sell or subscribe to a share or interest in **equity, stock, or voting rights** or **capital or profit interest**, even if such warrant or right is a debt



### OPTION OR PRIVILEGE

any put, call, straddle, or other option or privilege of buying or selling **equity, stock or voting rights, capital or profit interest, or convertible instruments**, EXCEPT if the option or privilege is created and held by others without the knowledge or involvement of the Reporting Company



### CATCH-ALL

any other instrument, contract, arrangement, understanding, relationship, or mechanism used to establish ownership