

# Corporate Transparency Act

## Beneficial Ownership Reporting: Key Questions

*This document provides a brief summary of the beneficial ownership reporting key questions under the new regulations implementing the Corporate Transparency Act.*

### **1. Does my company have to report its beneficial owners?**

While small corporations or LLCs will likely be required to report beneficial ownership information to FinCEN, certain types of entities are exempt. If you filed a document with your state's secretary of state or a similar office to create your company or are a foreign company that registered to do business in the United States, your company will likely need to report.

### **2. Who is my company's beneficial owner(s)?**

Any individual directly or indirectly exercising *substantial control* over your company or who directly or indirectly owns or controls at least 25 percent of your company is a beneficial owner.

### **3. Does my company have to report its company applicants?**

Up to two individuals can qualify as company applicants:

1. The person who directly files the document that first registers or creates the reporting company.
2. The person primarily responsible for directing or controlling the relevant document's filing.

Only companies created or registered on or after January 1, 2024, are required to report their company applicants.

### **4. What specific information does my company need to report?**

A company must report its (1) Legal name and any trade name or DBA. (2) Address. (3) Jurisdiction where it was formed or first registered, depending on whether it's a U.S. or foreign company. (4) Taxpayer Identification Number (TIN).

A company must provide the following information for each beneficial owner and each company applicant (if required): (1) Legal name. (2) Birthdate. (3) Address (typically a home address). (4) A document image and identifying number from a driver's license, passport, or other approved document for each individual.

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### **5. When and how should my company file its initial report?**

File by January 1, 2025, if your company is created or registered before January 1, 2024. Otherwise, file within 30 calendar days of receiving actual or public notice that your company was created or registered from your state's secretary of state or similar office. Electronic reports will be accepted by FinCEN beginning January 1, 2024.

On September 27, 2023, the U.S. Department of Treasury's Financial Crimes Enforcement Network ("FinCEN") issued a Notice of Proposed Rulemaking which would affect companies created or registered in 2024. The proposed change would give those companies 90 days, instead of 30 days to file their initial beneficial ownership information reports. This change would only apply to companies registered in the year 2024, and companies created before January 1, 2024 would still have until January 1, 2025 to file their initial reports. As in the current rule, companies created on or after January 1, 2025 would have 30 days to file their initial reports.

### **6. What if there are changes to or inaccuracies in reported information?**

Companies must report any changes to reported information within 30 days. When changes are due to business updates, the 30 days start from when the relevant change occurs. Corrections to inaccuracies must be made within 30 days after you become aware of, or have reason to know of, an inaccuracy in a prior report.

If you have questions about the Corporate Transparency Act and its impact on your business, please contact your Maddin Hauser attorney or David H. Freedman at [dfreedman@maddinhauser.com](mailto:dfreedman@maddinhauser.com) (248-351-7011) or Jordan M. Small at [jsmall@maddinhauser.com](mailto:jsmall@maddinhauser.com) (248-351-7001).

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