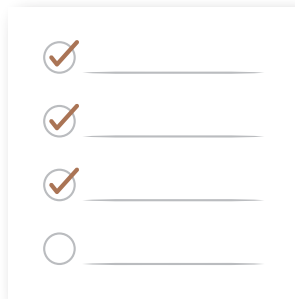


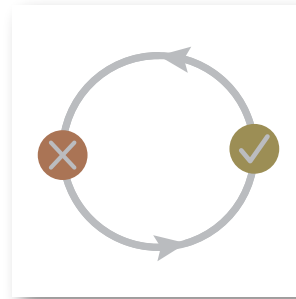
# CORPORATE TRANSPARENCY ACT GUIDE

Effective January 1, 2024, the Corporate Transparency Act (CTA) is expected to apply to 32 million companies, and carries significant penalties for non-compliance including fines and jail time. Our attorneys have taken a deep-dive into the [often counterintuitive] CTA reporting requirements, and have developed the resources below as a guide to this rapidly evolving new legislation.

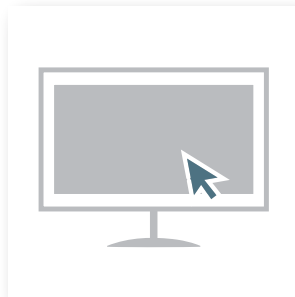
## CTA REPORTING GUIDE



## CTA REPORTING FLOWCHART



## CTA WEBINAR SLIDES



## CTA WEBINAR RECORDING



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These resources are intended to be general information only. They are not intended to provide legal advice for any specific situation. Legal advice can be provided only in the course of an attorney-client relationship with reference to all the facts of a specific situation.

# CTA REPORTING GUIDE



# CTA REPORTING GUIDE

## WHEN DO I NEED TO FILE MY INITIAL REPORT?

- Companies formed prior to 12/31/23: File by 12/31/24
- Companies formed 1/1/24 - 12/31/24: File within 90 days after actual notice that the creation was effective or published notice from the secretary of state
- Companies formed 1/1/25 or after: 30 days after actual notice that the creation was effective or published notice from the secretary of state

## WHAT DOES A BENEFICIAL OWNER REPORT?

- Full legal name, date of birth, residential street address, a unique identifying number from a passport, driver's license, or similar document, and an image of that identifying OR
- FinCEN ID

## WHAT INFORMATION IS REPORTED?

### Company Information

- Full legal name
- Trade name or DBA
- Jurisdiction of Formation
- Address of Principal Place of Business
- IRS TIN, usually an EIN

### Company Applicant Information

(only if formed after 1/1/24):

- The individual who was physically responsible for directing or controlling the filing of the organization document with the secretary of state
- No more than two applicants
- Full legal name, date of birth, residential street address OR business address, a unique identifying number from a passport, driver's license, or similar document, and an image of that identifying document OR
- FinCEN ID

# CTA REPORTING GUIDE

## BENEFICIAL OWNERSHIP: WHO IS A BENEFICIAL OWNER?

### 25% Ownership Interest

*In many situations, this may be a simple analysis. However, complexities can arise when dealing with subsidiaries or certain equity arrangements.*

- Equity, stock, similar interest
- Capital or profit interest
- Convertible debt
- Any call, put, straddle, option
- “Any other instrument, contract, arrangement, understanding, relationship, or mechanism used to establish ownership.”

### Substantial Control

*Often, determining who has “substantial control” will require careful analysis.*

- Senior officer
- Can appoint/ remove a senior officer
- Directs important decisions of the reporting company
- “Any other form of substantial control.”

### Special Considerations

- If a beneficial owner is an exempt entity, the report may include the names of the entity instead of the reporting information of the owner
- Trusts
  - A trustee with the authority to dispose of trust assets
  - Certain beneficiaries

### Exceptions

- Minors (parent/guardian must report)
- An individual acting as a nominee, intermediary, custodian, or agent (note, there is a separate provision that states an individual who is acting as an agent, etc. may trigger the substantial control prong)
- An employee of a reporting company acting solely as an employee who derives benefits exclusively from their employment status (provided they are not a senior officer)
- Future interest is contingent on an inheritance
- A creditor of a reporting company (must be carefully distinguished from a holder of convertible debt)