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# The Corporate Transparency Act



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## THE CORPORATE TRANSPARENCY ACT

The Corporate Transparency Act (CTA) legislation introduces beneficial ownership reporting requirements for new and existing companies. In 2024, around 32 million corporate entities will be required to file a Beneficial Ownership Information (BOI) report with the U.S. Department of Treasury's Financial Crimes Enforcement network (FinCEN). Here, we provide a concise guide to understanding the CTA, including an overview of the Act and its requirements, and how CSC can help you comply.

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## ABOUT THE CORPORATE TRANSPARENCY ACT

Originally enacted in January 2021 as part of the 2021 National Defense Authorization Act, the CTA seeks to protect national interests and prevent “malign actors” from concealing their ownership of corporations, limited liability companies (LLCs), or similar entities in the United States, to engaging in illicit activity.

The CTA requires corporations, LLCs, or similar entities that fall under the definition of a “reporting company” to submit a filing to FinCEN containing information regarding the individuals who directly or indirectly own or control a company.

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## DOES THE CTA APPLY TO MY BUSINESS?

Companies required to report are called reporting companies, of which there are two types.

- Domestic reporting companies are corporations, LLCs, and any other entities created by the filing of a document with a secretary of state or any similar office in the United States.
- Foreign reporting companies are entities (including corporations and LLCs) formed under the law of a foreign country that have registered to do business in the United States by the filing of a document with a secretary of state or any similar office.

There are [23 types of entities exempt](#) from the reporting requirements. These entities include publicly traded companies meeting specified requirements, many nonprofits, and certain large operating companies. Use our [CTA eligibility quiz](#) for a step-by-step walkthrough to determine if your entity needs to file.



## REPORTING REQUIREMENTS AND DEADLINES

### Required information for a BOI Report

#### Report content

- Reporting company information
- Beneficial owner information
  - “Beneficial owner” is defined as an individual who either directly or indirectly: (1) exercises substantial control over the reporting company, or (2) owns or controls at least 25% of the reporting company’s ownership interests.
- Company applicant information if the reporting company is formed on or after January 1, 2024
  - Each reporting company that’s required to report company applicants will have to identify and report to FinCEN at least one company applicant, and at most two. There are two categories of company applicants:
    - The individual who directly files the document that creates or registers the company
    - And, if more than one person is involved in the filing, the individual who is primarily responsible for directing or controlling the filing

#### Information to report for each reporting company

- Full legal name of the reporting company
- All trade names, fictitious names, or doing business as (DBA) names, regardless of whether the name is registered
- Street address of “principal place of business”
- Jurisdiction of formation (state or tribal)
- IRS taxpayer identification number (TIN)

Alternatively, a FinCEN ID can be substituted for the information above.

#### A reporting company must provide for each beneficial owner

- Full legal name of the individual
- Date of birth for the individual
- Residential street address
- A unique identifying number from certain government documents issued to the individual
- An image of the document that provided the unique identifying number that also includes a photograph of the individual

Alternatively, a FinCEN ID can be substituted for the information above.

#### Company application information for entities formed on or after January 1, 2024

##### A reporting company must provide for each company applicant:

- Full legal name of the individual
- Date of birth for the individual
- Address for company applicant:
  - If company applicant filed the formation or registration document in the course of the company applicant’s business, then the street address of such business must be reported; in all other cases, the reporting company must provide the residential street address for the company applicant
- A unique identifying number from certain government documents issued to the individual
- An image of the document that provided the unique identifying number that also includes a photograph of the individual



## Deadlines

Existing reporting companies (domestic reporting companies in existence before January 1, 2024 and foreign reporting companies registered prior to January 1, 2024)

**Reporting deadline—initial report must be filed with FinCEN no later than January 1, 2025.**

New reporting companies (domestic reporting companies formed on or after January 1, 2024 and foreign reporting companies first registered on or after January 1, 2024)

**Reporting deadline—initial report must be filed within 90 calendar days after the earlier of:**

- The date on which the reporting company receives actual notice that its creation or registration has become effective
- The date on which a secretary of state or similar office first provides public notice, such as through a publicly accessible registry, that the reporting company has been created or registered

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## HOW CSC CAN HELP

### Beneficial Ownership Information (BOI) Filing service

Let our team of experts prepare and file your BOI reports with the FinCEN.

**CSC currently offers beneficial owner filing services in 12 international jurisdictions with requirements similar to the CTA. Drawing upon this experience, our dedicated team will:**

- ✓ Securely collect required beneficial owner and company applicant information
- ✓ Manage the outreach necessary to obtain BOI and supporting documents upon request
- ✓ Prepare and file your BOI reports with FinCEN
- ✓ Provide order submission confirmation evidence

**CSC offers comprehensive support for all four types of BOI reports:**

- ✓ Initial reports
- ✓ Corrections of prior reports
- ✓ Updates to prior reports
- ✓ Newly exempt entity reports

CSC is here to help. Our full service framework and industry leading team of experts will ensure compliance with the CTA, allowing you to focus on your strategic business priorities.

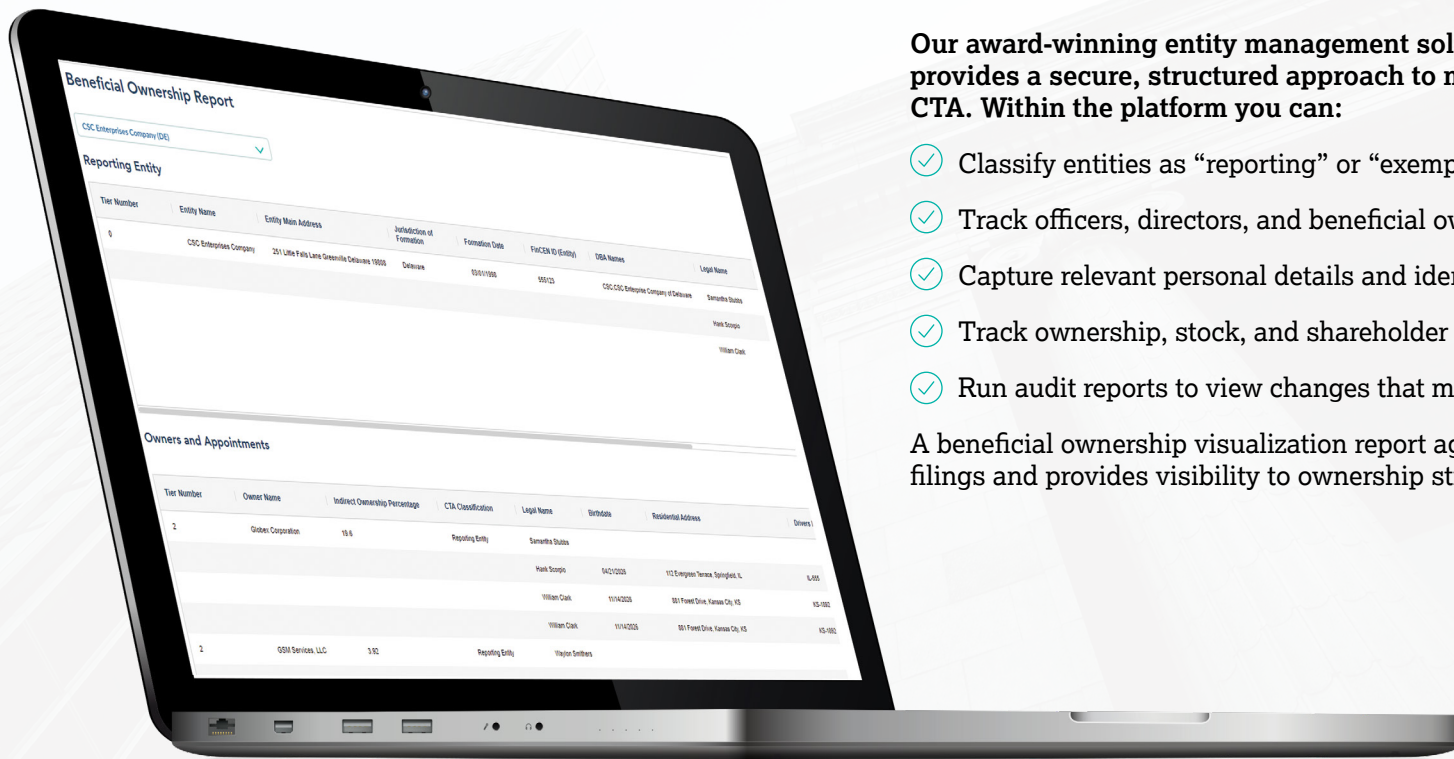
### Bulk filing and custom CTA solutions

**A custom-tailored CTA service may provide substantial value if:**

- ✓ The entity portfolio contains a high volume of reporting companies
- ✓ There are numerous entity formations in the coming months
- ✓ The beneficial ownership changes across a range of entities necessitates a great number of amended CTA filings

Our team will be happy to consult with you regarding your specific requirements for large or complex CTA filing projects.





## CSC ENTITY MANAGEMENT

Our award-winning entity management solution—CSC Entity Management<sup>SM</sup>—provides a secure, structured approach to managing information required by the CTA. Within the platform you can:

- ✓ Classify entities as “reporting” or “exempt”
- ✓ Track officers, directors, and beneficial owners, both direct and indirect
- ✓ Capture relevant personal details and identifying documents for beneficial owners
- ✓ Track ownership, stock, and shareholder information
- ✓ Run audit reports to view changes that may prompt amended CTA filings

A beneficial ownership visualization report aggregates data required for FinCEN BOI filings and provides visibility to ownership structures and beneficial owners.



For more information on the CTA, or to schedule a demonstration of how CSC can help you manage BOI, visit our CTA resource page on [cscglobal.com](https://www.cscglobal.com).



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