

Apres BOI Le Deluge: Beneficial Ownership Reporting to FinCEN Required by the Corporate Transparency Act

Outline of Program:

Goal: You understand which entities qualify as Reporting Companies, and therefore will need to be ready to file starting on January 1, 2024, and how to figure out which humans need to be reported as Beneficial Owners and Company Applicants.

In a Nutshell: Effective January 1, 2024, a Reporting Company must disclose information about the Reporting Company, its Beneficial Owners, and the Company Applicants to the Financial Crimes Enforcement Network (FinCEN) of the Department of Treasury.

Terms:

- Financial Crimes Enforcement Network (“FinCEN”)
- “Existing Reporting Company”
- “New Reporting Company”
- Domestic Reporting Company
- Foreign Reporting Company
- Beneficial Owner
- Substantial Control
- Company Applicant

Process:

- When are reports due?
- What needs to be reported?
- Which entities must report?
- What happens if an entity doesn’t report?

Why? The purpose of the Act is to

- Enhance national security, intelligence, and law enforcement efforts to combat money laundering, terrorism financing, and other illicit activities
- Bring the U.S. into compliance with international anti-money laundering and countering of terrorism financing standards
- Set a clear federal standard for incorporation practices
- Protect U.S. national security and commerce
- The Act is not intended to create a publicly accessible registry of business entities in the U.S.

What is the Corporate Transparency Act?

- The CTA does not authorize public disclosure of beneficial ownership.
- FinCEN can disclose the information to other law enforcement agencies.

Deadlines:

- Existing Reporting Company
- New Reporting Company

What is reported?

- About the Reporting Company
- About the Beneficial Owners
- About Company Applicants

FinCEN Identifier

What Happens if the Reporting Company doesn’t Report?

What is a Reporting Company?