



MEMORANDUM

TO: Clients and Friends of TroyGould PC
FROM: TroyGould PC
DATE: November 21, 2024
RE: Compliance with the Corporate Transparency Act

As you may be aware, as of January 1, 2024, certain companies are required to file personal information related to their owners and other persons with the Financial Crimes Enforcement Network of the Department of Treasury (FinCEN) in accordance with the Corporate Transparency Act (CTA). These reports are mandatory, and businesses risk civil and criminal penalties if they do not comply.

While this requirement has applied throughout 2024 to companies formed since January 1 of this year, we are circulating this notification at this time to draw attention to the requirements concerning entities formed before January 1, 2024, which are also subject to these reporting obligations and must file an initial report by the end of this year.

The following are questions and answers regarding these filing requirements that we recommend that you review as soon as possible.

Is my business a reporting company?

Companies formed by the filing of a document with a governmental authority, such as the Secretary of State in a particular jurisdiction, must file a report with FinCEN, unless they are an exempted entity. Non-US entities that have registered to do business in the United States are also required to file a report. This would exclude, for example, a partnership or joint venture, unless an entity was formed in connection with such partnership or joint venture with the filing of a document with a governmental authority.

What are the deadlines for filing?

Companies formed during 2024 must file an initial report within 90 days of receiving actual or public notice that formation is effective, whichever is earlier, while those formed after January 1, 2025 must file an initial report within 30 days of such notice. We have been informing our clients for whom we formed entities in 2024 of the filing requirements at the time of formation. ***Companies formed prior to January 1, 2024 must file an initial report by December 31, 2024.*** Any changes to the initial reports must be filed within specified deadlines (generally within 30 days of the change).

What information must reporting companies file?

A company is required to report information with respect to itself and all of its beneficial owners (as defined in the CTA). A beneficial owner is defined as any individual who, directly or indirectly, exercises substantial control over a reporting company OR owns or controls at least 25% of the ownership interests of a reporting company. This may include members of the board of directors or managers and senior management and owners of an entity which holds equity interests in the reporting company.

Information to be reported about beneficial owners includes name, date of birth, residential address, unique identifying number and jurisdiction issuing that number, and an image of a non-expired government-issued identification document with the unique identifying number.

Companies formed after January 1, 2024 must also file information related to at least one company applicant (as defined in the CTA). A company applicant is defined as the individual who filed the document with the governmental entity forming the company and/or the individual who directed or controlled the filing action (e.g., the lawyer who prepared, or directed preparation of, the formation document and directed the corporate service provider to file it with the relevant secretary of state).

How can my company file a report?

Filings can be made directly through the FinCEN website at www.fincen.gov/boi. The site includes short videos explaining the specific information to be filed and how the reports can be completed free of charge.

For those who would prefer more support, Corporation Service Company (www.cscglobal.com) and CT Corporation (www.wolterskluwer.com/en/solutions/ct-corporation), two of the most prominent corporate filing services, have detailed resource pages with information on filing requirements as well as questionnaires to assist in determining whether a company is a reporting company and what information is required to be submitted. Both filing services will complete the filings for a fee and will provide evidence of filing. Other corporate filing services offer similar services.

Can TroyGould assist in the filing process?

Given the availability of the FinCEN website and the corporate filing services as user-friendly, cost-effective resources for filing, and due to data security considerations in connection with the personal information required to be filed, TroyGould will not be handling the actual processing of the required reports. However, we are available to assist firm clients who need advice in determining the applicability of the filing requirements to their companies and the information to be reported.

For anyone requiring assistance, please reach out to your regular point of contact at TroyGould.

Important Disclaimers

The foregoing summary of principal provisions of the CTA is provided for your convenience. It is not a complete recitation of the law and does not constitute legal advice. For more complete information related to the CTA filing requirements, please refer to the FinCEN website at www.fincen.gov/boi. For legal advice related to your specific situation, please contact TroyGould in the manner noted above. Compliance with these requirements is your responsibility and not the responsibility of TroyGould. Links to the websites of Corporation Service Company and CT Corporation are provided for your convenience only, and TroyGould is not liable for any matters relating to these third-party service providers or any other provider with whom you may work in order to comply with the CTA filing requirements.