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CORPORATE TRANSPARENCY ACT

BCLP has established a cross-disciplinary team of lawyers from its corporate, litigation, private client, privacy, financial services regulatory, and other practice groups to support clients on Corporate Transparency Act ("CTA") compliance matters. Our team assists clients in considering the availability of CTA exemptions, who should be identified as a company's beneficial owners and applicants, what kind of information must be reported about them, the impact of the CTA on investment and management strategies and structures, and what CTA compliance policies and procedures should be adopted.

Use this resource page to keep up-to-date on FAQs, events, and analysis & insights. We have also developed an interactive compliance tool to help you understand how the CTA impacts your company's U.S. business and investments. Check this page frequently for updates and additions. You can also visit FinCEN's page on Beneficial Ownership Information Reporting for more information.

WHAT IS THE CORPORATE TRANSPARENCY ACT?

The Corporate Transparency Act ("CTA") is a U.S. federal law requiring "Reporting Companies" to file certain beneficial ownership-related information with the Financial Crimes Enforcement Network ("FinCEN"), a division of the U.S. Treasury.

The CTA and its implementing regulations generally require Reporting Companies to submit "beneficial owner" and "applicant" information to FinCEN. Congress' stated purpose in enacting the CTA was to establish a database that is "accurate, complete, and highly useful" to aid law enforcement, national security and intelligence actors that will have access to it in their efforts to counter money laundering, terrorism financing, and other illicit activity. The CTA also requires harmonization between the rules implementing this database and the obligations that have been in place under Customer Due Diligence rules applicable to certain U.S. financial institutions when opening new customer accounts. Penalties for CTA violations include steep potential civil money penalties and imprisonment.

INTERACTIVE CTA TOOL

Our CTA compliance tool

Many businesses are wondering if they need to comply with the CTA, and if so, whose data they may need to gather and when it should be first submitted and updated. Use our interactive CTA compliance tool to learn more about the nuts and bolts of the CTA.

New federal anti-crime rule requires millions of businesses to report true ownership

With limited amendments to its proposed rule, the Financial Crimes Enforcement Network ("FinCEN"), a division of the U.S. Department of the Treasury, recently promulgated its final rule (the "Reporting Rule") implementing the federal Corporate Transparency Act ("CTA").

Read more >

The Corporate Transparency Act is coming: creation of a U.S. national beneficial ownership database

Potentially as soon as late 2022 or early 2023, a new U.S. regulatory requirement will come into effect which will affect over 25 million existing business entities and another 3-4 million new entities each year.

Keep reading >

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FAQS: REPORTING COMPANIES

WHAT IS A REPORTING COMPANY, AND WHAT IS THE IMPORTANCE OF ITS “FORMATION FILING”?

In general, “Reporting Companies” are small to mid-sized legal entities within otherwise lightly regulated or unregulated industries. The term is broad enough to include both entities formed under U.S. law **and** entities formed outside the U.S. and registered to do business in the U.S. 31 CFR § 1010.380(c). FinCEN has estimated that over 32 million existing entities will make initial reports during the first year the CTA is in effect and that 5 million newly formed or U.S.-registered entities will do so each year going forward.

To determine whether a legal entity is a Reporting Company, the key inquiry is to look at how the entity was formed. 87 Fed. Reg. 59,538. Any entity that was formed with a filing in any state’s secretary of state’s office or tribal equivalent is a potential Reporting Company. Likewise, any legal entity that is formed abroad (outside the U.S.) and registers to do business in any state is a potential Reporting Company. Depending on the law of the state where they were formed (for domestic entities) or registered (for foreign entities), that means corporations, limited liability companies (LLCs), limited liability partnerships (LLPs), limited partnerships (LPs), and other entities may be Reporting Companies. These are “potential” Reporting Companies because a legal entity may quality for an exemption and therefore be relieved from complying with the CTA.

ARE PUERTO RICO AND OTHER U.S. TERRITORIES AND COMMONWEALTHS CONSIDERED “STATES” FOR CTA PURPOSES? WHAT ABOUT WASHINGTON D.C.?

Yes, the rules implementing the CTA define a “state” as a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other commonwealth, territory, or possession of the United States. 31 CFR § 1010.380(f)(9). Even if created under the law of such a “state,” the entity must still be created through the filing with a secretary of state’s office or local equivalent in order to be a Reporting Company.

WHEN IS AN ENTITY REQUIRED TO REGISTER TO DO BUSINESS IN A STATE OR TRIBAL JURISDICTION?

State and tribal law determines when an entity formed outside of a particular jurisdiction is required to register, qualify, or otherwise submit a filing with a secretary of state’s office or local equivalent in order to do business in that jurisdiction. In Missouri, New York, and a number of other states, the process is typically referred to as the filing of an application for a certificate of authority to transact business in the state.

The decision to register or qualify in a U.S. state may be driven by a variety of licensing, contract, tax, litigation, and other strategic considerations that will now need to be assessed together with implications of such filings under the CTA. Generally speaking, ownership of securities of a U.S. entity and exercising associated voting rights (by itself) is not enough to require registration nor is defending a lawsuit, securing or collecting debts, and a number of other limited activities that are fairly well-settled across model acts and years of judicial interpretation.

WHAT EXEMPTIONS ARE AVAILABLE FOR A POTENTIAL REPORTING COMPANY?

The CTA provides 23 exemptions from the definition of a Reporting Company. Congress gave FinCEN the power to add exemptions, but to date it has chosen not to do so.

Exempt are the following (the first 20 of the following 23 exceptions are based solely on the entity’s industry or other categorical status, while the last three are more fact-sensitive; note also that most of these categories refer only to U.S. entity types):

1. securities reporting issuers (i.e., companies that are publicly traded on any U.S. stock exchange),

2. governmental authorities,

3. banks,

4. credit unions,

5. depository institution holding companies,

6. money services businesses as defined by 31 CFR 1022.380,

7. securities brokers or dealers,
8. securities exchange or clearing agencies,
9. other entities registered under the Securities Exchange Act of 1934,
10. registered investment companies and advisers,
11. venture capital fund advisers,
12. insurance companies,
13. state-licensed insurance producers,
14. entities registered under the Commodity Exchange Act,
15. accounting firms registered under the Sarbanes-Oxley Act,
16. public utilities,
17. financial market utilities,
18. pooled investment vehicles,*
19. tax exempt entities under sections 501(c), 527(e)(1) (political organizations) and 4947(a) (certain trusts) of the Internal Revenue Code,
20. entities operating exclusively to provide financial assistance to tax-exempt entities,
21. "large operating companies,"
22. subsidiaries of certain exempt entities, and
23. "inactive entities."

* A special rule requires pooled investment vehicles formed outside the U.S. to report one individual who exercises substantial control over the company.

DO EXEMPT ENTITIES HAVE TO TELL FINCEN THAT THEY ARE EXEMPT?

No. There is no requirement for potential Reporting Companies which qualify for an exemption to tell FinCEN which exemption they qualified for, or that they qualified for any exemption. However, an entity that submits a report to FinCEN but later qualifies for an exemption will need to file a change filing with FinCEN. 31 CFR § 1010.380(a)(2)(ii).

WHAT ENTITIES QUALIFY FOR THE “LARGE OPERATING COMPANY” EXEMPTION?

Under the Rules an exempt “large operating company” means any entity that meets ALL of the following criteria:

1. employs more than 20 full-time employees in the U.S.;

2. has an operating presence at a physical office in the U.S.; and

3. filed a U.S. federal income tax return for the previous year demonstrating more than USD $5MM in gross receipts or sales, net of returns and allowances, excluding gross receipts or sales from sources outside the U.S. For purposes of this test, the entity must use a consolidated return amount if the entity filed a return as part of an “affiliated group of corporations” within the meaning of 26 U.S.C. § 1504. 31 CFR § 1010.380(c)(2)(xxi).

CAN I AGGREGATE REVENUE AND HEADCOUNT ACROSS SUBSIDIARIES TO MEET THE REQUIREMENTS OF THE “LARGE OPERATING COMPANY” EXEMPTION? CAN I COUNT PART-TIME EMPLOYEES?

Revenue may be aggregated across subsidiaries to reach the required $5MM threshold, but headcount may not. In other words, each parent entity and subsidiary entity must have the required more than 20 full time employees to qualify for this exemption. In addition, only full-time employees count toward the required 20 employees. As FinCEN noted in the Rules’ Supplemental Release, this arrangement appears to have been a deliberate choice by Congress:

> “Although the CTA specifies that gross receipts or sales are to be consolidated, the CTA contains no similar specification for employee headcount. To the contrary, [the statute] provides that the exception applies to an ‘*entity* that . . . employs” more than 20 employees, indicating that the determination of the number of employees is to be made on an entity-by-entity basis.” 87 Fed. Reg. 59,543 (emphasis in original; footnotes omitted).

Even with these limitations, a wholly owned or controlled subsidiary of an entity that satisfies the large operating company exemption is exempt in its own right.

WHAT ENTITIES QUALIFY FOR THE “INACTIVE ENTITY” EXEMPTION?

It will be very difficult to qualify. A potential Reporting Company may qualify for the “inactive entity” exemption if it meets ALL of the following requirements:

1. It was formed on or before January 1, 2020;

2. It is not engaged in active business;
3. It is not owned by a foreign person, whether directly or indirectly, wholly or partially;
4. It has not had any change in ownership in the preceding 12-month period;
5. It has not sent or received any funds in an amount greater than $1,000, either directly or through any financial account in which the entity or any affiliate of the entity had an interest, in the preceding 12-month period; AND
6. It does not otherwise hold any kind or type of assets, whether in the U.S. or abroad, including any ownership interest in any corporation, limited liability company, or other similar entity. 31 CFR § 1010.380(c)(2)(xxiii).

Even if an entity is dissolved in 2023 or at any time after the effective date, unless otherwise exempt, it still has an obligation to report to FinCEN under the Rules until it has been dissolved for 12 months and otherwise satisfies the test described above.

IF AN ENTITY IS EXEMPT FROM CTA REPORTING, ARE ALL OF ITS AFFILIATES AND SUBSIDIARIES ALSO EXEMPT?

Not necessarily, but any entity "whose ownership interests are controlled or wholly owned, directly or indirectly" by certain exempt entities are also exempt. This includes those wholly owned or controlled subsidiaries of SEC issuers, U.S. banks and bank holding companies, U.S. credit unions, SEC-registered broker-dealers, and a number of the other entity types categorically identified as exempt as described elsewhere in these FAQs. It also includes those wholly owned or controlled subsidiaries of entities satisfying the "large operating company" exemption. It does not, however, include such subsidiaries of pooled investment vehicles, FinCEN-registered money services businesses ("MSBs"), or inactive entities (an entity that has subsidiaries would not qualify for the "inactive entity" exemption anyway). 31 CFR § 1010.380(c)(2)(xxii).

In the Rules' Supplemental Release, FinCEN noted that commenters on its initial CTA rules proposal "suggested that the [subsidiary] exemption should be widened to subsidiaries that are [merely] 'majority owned'" but "determined that extending the exemption to majority-owned subsidiaries would include entities unintended by the language of the CTA." In addition, with respect to requests that FinCEN "broadly interpret the subsidiary exemption to include holding companies owning only CTA-exempt entities," FinCEN concluded that "the CTA provision does not provide for such an expansion and the subsidiary exemption focuses on subsidiaries, not parents, of exempt entities." 87 Fed. Reg. 59,543.

Unfortunately neither the CTA nor the Rules define what it means for an entity to have ownership interests that are "controlled" by an exempt entity for purposes of the "subsidiary" exemption. Presumably this will be interpreted consistent with the way in which "substantial control" is defined

by the Rules, but this is not clear. It could also be interpreted in the way in which "control" is defined for purposes of certain federal securities laws (e.g., the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise) and presumably will need to be exclusive control.

In the statute itself, the clause giving rise to this exemption identifies an entity "of which the ownership interests are owned or controlled, directly or indirectly, by 1 or more" of other exempt entity types described above. 31 U.S.C. § 5336(a)(11)(B)(xxii).

Note that a special reporting rule also streamlines reporting where one or more exempt entities has or will have a direct or indirect ownership interest in a Reporting Company and an individual is a beneficial owner of the Reporting Company exclusively by virtue of the individual's ownership interest in such exempt entities. This rule permits the Reporting Company to specify the name of such exempt entities in lieu of the information otherwise required of such beneficial owner. 31 C.F.R. § 1010.380(b)(2)(i).

CAN TRUSTS BE REPORTING COMPANIES?

Trusts could theoretically be Reporting Companies, if they required a formation filing with a state secretary of state's office or tribal equivalent. However, the vast majority of trusts are formed with a trust agreement rather than a filing in a secretary of state's office, and therefore are not potential Reporting Companies.

However, a trust may own or control more than 25% of a legal entity that is a Reporting Company. In that case, the trustee is a beneficial owner of the Reporting Company if the trustee meets one of the tests for beneficial ownership.

A sole mandatory income beneficiary of such a trust is also a beneficial owner under these circumstances.

(Last updated on 9/18/2023)

FAQS: WHAT TO FILE AND WHEN

WHEN MUST A REPORTING COMPANY FILE ITS INITIAL REPORT?

The answer to this question depends on when the entity becomes a Reporting Company (either by being formed under U.S. law or, if a foreign-formed Reporting Company, first registering to do business in the U.S., and not exempt):

- Any such entity formed under U.S. law (or under foreign law and registered to do business in any state or tribal jurisdiction) prior to January 1, 2024, has until January 1, 2025, to file its initial report.
- If the entity is formed under U.S. law (or under foreign law and first registered to do business in any state or tribal jurisdiction) during 2024, then its initial report must be filed within 90 calendar days thereafter.
- If the entity is formed under U.S. law (or under foreign law and first registered to do business in any state or tribal jurisdiction) on or after January 1, 2025, then its initial report must be filed within 30 calendar days thereafter.

The Rules specify that the trigger date for the 90- or 30-day timelines noted above is the earlier of the date on which an entity receives actual notice that its formation or registration to do business has become effective or the date on which a secretary of state or similar office first provides public notice, such as through a publicly accessible registry, that the entity has been formed or so registered. 31 CFR § 1010.380(a)(1)(i)-(iii).

WHEN ARE UPDATED REPORTS DUE?

A Reporting Company must generally file an amended report with FinCEN within 30 days after a change to information that it previously filed about itself or its beneficial owners. For example, a beneficial owner attaining majority, change of name, change of address of a beneficial owner, changes in share ownership such as by the settlement of an estate, a distribution from a trust, or a gift, and changes in who exerts substantial control over an entity could all trigger a need to update.

Data about a Reporting Company's Applicants never needs to be updated, assuming it was accurate when filed. 87 Fed. Reg. 59, 524.

A Reporting Company must also file an update within 30 days after the date it no longer qualifies for an exemption from filing (for example, if an entity loses its not-for-profit status or falls below the required threshold of more than 20 full time employees under the "large operating company" exemption). Notably, while filing exemptions are generally self-executing, if a Reporting Company that files an initial report with FinCEN subsequently meets the criteria for a filing exemption, this is considered a change to previously filed information and triggers the filing of an updated report within 30 days. 31 CFR § 1010.380(a)(1)(iv), -(2)(i)-(ii).

ARE ANNUAL REPORTS REQUIRED UNDER THE CTA?

No, there is no annual reporting requirement, which actually makes compliance more complicated. Reporting Companies cannot simply calendar an annual report due date and refresh the required data in time for the deadline. The reporting rules require rolling updates, within 30 days of any change to any piece of reportable data, including the Reporting Company's loss of an exemption,

changes to the Reporting Company's own data (such as addition of a new d/b/a name), changes to who the Reporting Company's Beneficial Owners are, and changes to each Beneficial Owner's reportable data.

WHAT DATA POINTS MUST A REPORTING COMPANY PROVIDE TO FINCEN?

About itself, the Reporting Company must file:

- Its legal name,
- Any trade name or "doing business as" name,
- The address of its principal place of business (if such place is located in the U.S.) or otherwise the company's primary U.S. location,
- The jurisdiction of its formation (if domestic) or first U.S. registration (if foreign), and
- Its IRS taxpayer ID number or foreign equivalent.

About all of its beneficial owners, the Reporting Company must file:

- Their full legal name,
- Their date of birth,
- Their residential street address,
- The ID number from a government-issued ID which is not expired,
- The name of the jurisdiction that issued the ID, and
- An image of the ID document.

About two of its Applicants, Reporting Companies formed or registered to do business on or after January 1, 2024 must report:

- Their full legal name,
- Their date of birth,
- Their residential OR business street address (Applicant's choice),
- The ID number from a government-issued ID which is not expired,
- The name of the jurisdiction that issued the ID, and

- An image of the ID document.

Reporting companies may provide a FinCEN ID in lieu of the data points described above, if the beneficial owner or Applicant has a FinCEN ID. 31 CFR § 1010.380(b)(4)(ii).

MY BENEFICIAL OWNER'S DRIVER'S LICENSE EXPIRED / THEY HAD A NEW PHOTO TAKEN / THEY CHANGED THEIR NAME DUE TO MARRIAGE/DIVORCE. DO I HAVE TO UPDATE FINCEN?

Only the six data points that FinCEN requires about beneficial owners have to be updated. The expiration date of the identity document is not one of them, so there's no need to update FinCEN when a beneficial owner renews their driver's license or passport or gets a new photo taken.

However, the beneficial owner's name and home address are reportable data points. So, when a beneficial owner moves to a new home, or changes their name due to marriage, divorce, or for any other reason, the Reporting Company has a duty to report that data within 30 days of the change. This is a heavy burden for Reporting Companies, who might not ordinarily be aware of some of these changes for more than 30 days after they happen. For this reason, it may be important for Reporting Companies to develop and implement compliance systems and policies to track their beneficial owners' reportable data or otherwise ensure its accuracy, so Reporting Companies may keep their data in compliance.

IS THERE A FILING FEE FOR A REPORTING COMPANY TO FILE WITH FINCEN?

No, it appears not, based on the rules that are currently available. However, FinCEN is still finalizing its rules and protocols implementing the CTA, and it is possible this could change. It is also possible that FinCEN may ask Congress for authority to impose a filing fee in the future, given some of the recent public statements made by its leadership about certain of its funding and CTA implementation challenges.

(Last updated on 12/13/2023)

FAQS: DETERMINING BENEFICIAL OWNERSHIP AND APPLICANTS

WHO ARE A REPORTING COMPANY'S "BENEFICIAL OWNERS" FOR CTA REPORTING PURPOSES?

The CTA gives us two tests for determining who a Reporting Company's "beneficial owners" are. Each individual who qualifies under one or both tests is a "beneficial owner" whose data the

reporting company must submit to FinCEN (unless an exemption applies). "Beneficial owners" are individuals who:

- Exercise "substantial control," directly or indirectly, over a Reporting Company; or
- Own or control, directly or indirectly, at least 25% of the ownership interests of a Reporting Company.

MORE ABOUT SUBSTANTIAL CONTROL

Under the Rules, an individual exercises "substantial control" over a Reporting Company if the individual:

- serves as a senior officer of the Reporting Company;
    1. General counsel is presumptively among the specific "senior officer" roles identified by FinCEN for this purpose, along with a company's president, chief executive officer, chief financial officer, and chief operating officer.
    2. FinCEN acknowledged in the Rules' Supplemental Release that the roles of corporate secretary and treasurer tend to entail ministerial functions as opposed to substantial control, and therefore omitted those roles from the definition of "senior officer". However, if a corporate secretary or treasurer has or exercises other control or influence over the entity, this could cause the individual holding such positions to be deemed to have "substantial control".
- has authority over the appointment or removal of any of the Reporting Company's senior officers or a majority of its board of directors (or similar body);
- directs, determines, or has substantial influence over "important decisions"* of the Reporting Company; or
- has any other form of such control over the Reporting Company.

FinCEN has stated that a member of the board of directors is not always a beneficial owner by virtue of substantial control, but rather this is determined on a director-by-director basis.

A trustee of a trust or similar arrangement may exercise substantial control over a Reporting Company.

*The Rules provide a non-exclusive list of such decisions, including the sale or lease or any principal assets of the company and the entry into or termination of "significant" contracts.

FinCEN's goal appears to be to cast the widest possible net and catch all possible beneficial owners, even those who exert control informally or behind the scenes, such as through family relationships,

or those that do not have the ability to exercise exclusive control over a Reporting Company. However, accountants and lawyers who provide ordinary, arms-length advisory professional services to a Reporting Company are not considered to have "substantial control." In addition, a Reporting Company's "tax matters partner" is not automatically a beneficial owner.

MORE ABOUT 25% OWNERSHIP OR CONTROL

The Rules conceive of "ownership" broadly. In general, ownership of all classes of interests must be aggregated, including joint and indirect interests, stock, equity, convertible instruments, and profit interests. In addition, options must be treated as exercised. If a trustee holds a 25% interest in the trust, then the trustee or other individual with the authority to dispose of trust assets, a sole permissible recipient of trust income and principal of a trust, or a beneficiary with right to withdraw substantially all trust assets has ownership or control for this purpose, as does the settlor of a trust with a right to revoke the trust. Calculation of "ownership interests" under the Rules is complex but similar in some ways to calculations that are made on a "fully diluted" basis for other reasons. 31 CFR § 1010.380(d)(1)(iii).

To prepare for the CTA, potential Reporting Companies should update their cap tables and keep them updated, and if necessary should seek skilled advice on how to perform these calculations.

ARE THERE ANY EXCEPTIONS FROM THE DEFINITION OF A "BENEFICIAL OWNER"?

Yes, Congress provided 5 exceptions. Data about these beneficial owners is not reportable:

- Minor children (as determined under law of state where company is formed or registered) – Reporting Companies may provide information of parent or guardian of a child whose interests are otherwise reportable instead of the child's information. If the parent's or guardian's information is provided, when the child reaches majority, the Reporting Company will have 30 days to substitute the now-adult's beneficial ownership information.
- Nominees, intermediaries, custodians, and agents acting on behalf of other individuals.
- Employees acting solely as employees, but senior officers are explicitly ineligible for this exception.
- Individuals whose only interest is a future interest through a right of inheritance, meaning by virtue of an inheritance that has not yet taken place because the parent or other person giving rise to such right is still alive or their estate has not yet settled.
- Creditors of a Reporting Company based solely on the basis of ordinary rights to repayment and associated loan covenants or similar interests.

HOW MANY BENEFICIAL OWNERS CAN A REPORTING COMPANY HAVE?

An unlimited number, who satisfy either of the definitions of a “beneficial owner” under the CTA. This is in contrast to FinCEN’s 2016 Customer Due Diligence (CDD) Rule, which requires financial institutions to identify all persons who own or control 25% or more of a company’s interests, but only one person with significant responsibility for the company, and under those rules this person may be the same person as a 25% or more owner that is reported (meaning a single person may be reported in certain cases).

Congress has ordered FinCEN to harmonize the CDD Rule with the requirements of the CTA, so look for a proposed revision to the CDD Rule in late 2023.

WHO ARE A REPORTING COMPANY’S “APPLICANTS”?

For reporting companies formed (if domestic) or registered to do business in the U.S. (if foreign) on or after January 1, 2024, their “applicants” are:

1. The individual who is primarily responsible for directing or controlling the decision to form (or register) the entity, AND
2. The individual who actually performs the formation (or registration) filing.

For many legal entities formed with the advice of counsel, this may mean 1) the attorney who made the decision to form or register the entity and 2) the paralegal or secretary who actually performed the formation or registration filing. FinCEN was explicit that all levels of law firm personnel are potential applicants. 87 Fed. Reg. 59,536. But the only applicants that will be reported are the two individuals that satisfy the description above. Once a Reporting Company files its initial report to identify the company applicants, that information is never removed, but is also never updated if accurate when filed.

It’s critical to note that any Reporting Company in existence (or U.S.-registered) before January 1, 2024 does not need to report any data about its applicants. In establishing this rule, FinCEN reasoned that applicants’ relationships with Reporting Companies were weaker, possibly existing only at the time of formation or registration, and therefore of diminishing value over time to law enforcement, while a beneficial owner’s relationship with the entity is ongoing. 87 Fed. Reg. 59,522.

DO I HAVE TO LOOK BACK IN TIME AND DETERMINE WHO MY COMPANY’S APPLICANTS WERE?

Only Reporting Companies formed (if domestic) or registered to do business in the U.S. (if foreign) on or after January 1, 2024 need to provide data about their applicants. FinCEN’s original draft of the Rules generally required historical applicant data from such entities, but after a significant

outcry about the difficulty in gathering such historical data, FinCEN removed this requirement from the final rule. 87 Fed. Reg. 59,523.

MY FOREIGN REPORTING COMPANY IS REGISTERED TO DO BUSINESS IN MULTIPLE U.S. STATES. WHICH OF OUR REGISTRATION FILINGS SHOULD I USE TO DETERMINE THE REPORTING COMPANY'S "APPLICANTS"?

A foreign Reporting Company should identify the individual who directly files the document that *first* registers the Reporting Company in any state or tribal office triggering CTA reporting, together with the individual who is primarily responsible for directing or controlling such filing if more than one individual is involved in the filing of the document. 31 CFR § 1010.380(e)(2)-(3). However, only Reporting Companies that are formed (for domestic entities) or registered to do business (for foreign entities) on or after January 1, 2024 are required to report data about their applicants.

DOES THE CTA REQUIRE ANY SOCIAL SECURITY NUMBER REPORTING OR DISCLOSURE?

No, in contrast to what the CDD Rule has required, the CTA and FinCEN's implementing rules for it do not require any third-party disclosure or FinCEN reporting of individuals' taxpayer identification numbers.

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