

CORPORATE TRANSPARENCY ACT

Part I: The Law

Lauren A. White

July 11, 2024



1

What is the CTA?

- The Corporate Transparency Act (the “**CTA**”)
- Enacted as part of the Anti-Money Laundering Act of 2020
- Implemented by the Financial Crimes and Enforcement Network (“**FinCEN**”)
- Establishes reporting obligations that will require reporting companies to file a report with FinCEN identifying beneficial owners and company applicants
- Designed to primarily apply to smaller, private entities, not large or otherwise highly regulated companies

HAYNES BOONE

2

What Has Happened Since January 1, 2024?

- FinCEN launched its BOI E-Filing System on January 1st
- Reports can be filed, and individuals can obtain FinCEN Identifiers, on FinCEN's website (<https://www.fincen.gov/boi>)
- BOI Access and Safeguards final regulations went into effect on February 20th
- FinCEN has continued to update its FAQs
- As of May 6th, over 1.7 million entities had filed BOI reports (with 32.6 million reports expected to be filed in 2024)

HAYNES BOONE

3

Is the CTA Constitutional?

- On March 1st, an Alabama district court found the CTA unconstitutional in *National Small Business United v. Yellen*.
- **BUT**...the injunction issued in that case only prohibits enforcement of the BOI reporting requirements against the plaintiffs, including then members of the National Small Business Association.
- FinCEN has appealed.
- Additional cases have been filed in other jurisdictions (including *Texas Top Cop Shop v. Garland* in Texas).

HAYNES BOONE

4

How Are Reports Made?



FINANCIAL CRIMES
ENFORCEMENT NETWORK

BOI E-FILE | FILE BOIR | HELP

File the Beneficial Ownership Information Report (BOIR)

Select the filing method that works best for you:



File PDF BOIR

- Adobe Reader is required
- Prepare report offline at your own pace, save as you go
- Reuse PDF BOIR when filing updates/corrections
- Download BOIR transcript upon submission

Prepare BOIR

Submit BOIR



File Online BOIR

- Adobe Reader NOT required
- Prepare report online and submit now
- Prepare new Online BOIR when filing updates/corrections
- Download BOIR transcript upon submission

Prepare & Submit BOIR

HAYNES BOONE

Beneficial Ownership Information Report

Home

Reporting Company

Company Applicant(s)

Beneficial Owner(s)

34. (This item is reserved for future use)

Part III. Beneficial Owner Information

1 of 1

35. Parent/Guardian information instead of minor child ☐ (check if the Beneficial Owner is a minor child and the parent/guardian information is provided instead)

Beneficial Owner FinCEN ID:

36. FinCEN ID

Exempt entity:

37. Exempt entity ☐

Full legal name and date of birth:

38. * Individual's last name or entity's legal name

39. * First name

40. Middle name

41. Suffix

42. * Date of birth

5

What Entities Are "Reporting Companies"?

- Domestic entities created by the filing of a document with a secretary of state or similar office of a U.S. state or Indian tribe
 - FAQ C.7 (1/12/2024): Includes U.S. territories – Puerto Rico, Northern Mariana Islands, American Samoa, Guam, and the U.S. Virgin Islands
- Similar foreign entities registered to do business in the United States

HAYNES BOONE

6

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: Corporate Transparency Act Part 1: The Law

Also available as part of the eCourse

[eSupplement to the 20th Annual Mergers and Acquisitions Institute](#)

First appeared as part of the conference materials for the

33rd Annual LLCs, LPs and Partnerships session

"Corporate Transparency Act Part 1: The Law"