

Corporate Transparency Act Regulations: Where We Are & What's Next

Lauren A. White

July 13, 2023



What is the CTA?

- The Corporate Transparency Act (the “**CTA**”)
- Enacted as part of the Anti-Money Laundering Act of 2020
- 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
- Intended to address anonymous shell companies and money laundering activities

Timeline At-a-Glance



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
- Similar foreign entities registered to do business in the United States

| Includes: | Doesn't Include: |
|---|--|
| <ul style="list-style-type: none">- Corporations- Limited Liability Companies- Limited Partnerships- LLPs and LLLPs- Most Business Trusts | <ul style="list-style-type: none">- General Partnerships- Most Trusts |

REPORTING COMPANY EXEMPTIONS

| | |
|---|--|
| Public Companies / Securities Reporting Issuers | Governmental Authorities |
| Banks | Credit Unions |
| Depository Institution Holding Companies | Registered Money Services Businesses |
| Brokers and Dealers | Securities Exchanges or Clearing Agencies |
| Other Exchange Act Registered Entities | Investment Companies / Investment Advisers |
| Venture Capital Fund Advisers | Insurance Companies |
| State-Licensed Insurance Producers | Commodity Exchange Act Registered Entity |
| Registered Public Accounting Firms | Public Utilities |
| Financial Market Utilities | Certain Pooled Investment Vehicles |
| Tax-Exempt Entities | Certain Entities Assisting Tax-Exempts |
| Certain Controlled Subsidiaries | Certain Inactive Entities |
| Large operating companies with (i) more than 20 full-time U.S. employees, (ii) an operating presence at a U.S. physical office, and (iii) a federal tax return for the prior year with more than \$5 million in gross receipts or sales | |

What Information Must Be Reported?



Reporting Company Information

- Legal name
- Assumed names
- Business address
- Jurisdiction of formation
- Tax identification number



Beneficial Owner & Company Applicant Information

EITHER

- Full legal name
- FinCEN Identifier
- Date of Birth
- Current residential (or business if company applicant) address
- Identifying number from a passport, drivers license, etc. with a copy of such document

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 Regulations: Where We Are & What's Next

Also available as part of the eCourse

[Corporate Transparency Act: Regulations and Practical Implications \(Replay\)](#)

First appeared as part of the conference materials for the
32nd Annual LLCs, LPs and Partnerships session
"Part One: Corporate Transparency Act Regulations"