

The Corporate Transparency Act (CTA) was enacted as part of the National Defense Act for Fiscal Year 2021. The CTA mandates that millions of entities report their beneficial ownership information (BOI) to the Financial Crimes Enforcement Network (FinCEN). This resource is meant to provide a preliminary overview of the provisions in the CTA.

Who is required to report under the CTA's BOI reporting requirement?

- All domestic and foreign entities that have filed formation or registration documents with a U.S. state (or Indian tribe), unless they meet one of 23 enumerated exceptions (see [FinCEN FAQs](#) for a full list of exemptions), including:
 - EXEMPT: Large operating entities that meet all the following criteria:
 - Employ more than 20 people in the U.S.
 - Had gross revenue (or sales) over \$5 million on the prior year's tax return
 - Has a physical office in the U.S.
 - EXEMPT: Publicly traded companies that have registered under Section 102 of SOX

When must companies file?

- New entities (created/registered in 2024) – must file within 90 days
- New entities (created/registered after Dec. 31, 2024) – must file within 30 days
- Existing entities (created/registered before Jan. 1, 2024) – must file by Jan. 1, 2025
- Reporting companies that have changes to previously reported information or discover inaccuracies in previously filed reports – must file within 30 days.

What information do companies need to report?

- Each company must report the information below through the [FinCEN BOIR E-Filing System](#).
 - Full legal name of the reporting company and any trade or DBA names
 - Business address
 - State or Tribal jurisdiction of formation or registration
 - IRS TIN
- In addition, each reporting company must report the following details on its beneficial owners and, for newly created entities, its company applicant(s):
 - Name
 - Birthdate
 - Address
 - Unique identifying number and issuing jurisdiction from an acceptable identification document (and image of such document)

What are the penalties for noncompliance with the statute?

- Civil penalties are up to **\$500 per day** that a violation continues.
- Criminal penalties include a **\$10,000 fine and/or up to two years of imprisonment**.