



# Corporate Transparency Act (CTA): *What Business Owners Need to Know*

## What is the Corporate Transparency Act (CTA)?

The Corporate Transparency Act (CTA) is a new federal law enacted to combat illegal activities such as money laundering, terrorism financing, and other forms of corruption. It requires certain businesses to report detailed information about their beneficial owners to the Financial Crimes Enforcement Network (FinCEN), part of the U.S. Department of the Treasury. The goal is to increase transparency in corporate structures and prevent the misuse of legal entities.

## Who Must File?

The CTA mandates that most corporations, limited liability companies (LLCs), and similar entities formed or registered to do business in the United States must file beneficial ownership information. This includes:

- **Domestic entities:** Corporations, LLCs, and other similar entities created by filing a document with a secretary of state or similar office.
- **Foreign entities:** Corporations, LLCs, and other similar entities formed under the laws of a foreign country and registered to do business in the U.S.

 **ACCESSbank**<sup>®</sup>  
*Here for a reason.*

8712 West Dodge Road  
Omaha, NE 68114  
402.763.6000

[ACCESSbank.com](https://www.accessbank.com)



Member  
**FDIC**

## Exempted Entities

- Publicly traded companies
- Governmental authorities
- Banks and credit unions
- Insurance companies
- Investment companies and advisors registered with the SEC
- Certain regulated entities, including accounting firms
- Tax-exempt entities under section 501(c) of the Internal Revenue Code
- Large operating companies meeting specific criteria (more than 20 full-time employees, more than \$5 million in gross receipts or sales, and a physical office within the U.S.)

## Timelines

The filing timelines under the CTA are crucial for compliance:

- **Existing Entities:** Entities formed before January 1, 2024, must file their beneficial ownership information by January 1, 2025.
- **New Entities:** Entities formed or registered on or after January 1, 2024, must file their beneficial ownership information within 30 days of formation or registration.
- **Changes in Information:** Any changes to the reported information must be updated within 30 days of the change.

## Penalties for Non-Compliance

Failure to comply with the CTA can result in severe penalties, including:

- **Civil Penalties:** Up to \$500 per day for each day the violation continues.
- **Criminal Penalties:** Fines up to \$10,000 and/or imprisonment for up to 2 years for willful violations.

## Take Action Now

- **Identify Beneficial Owners:** Determine who owns or controls at least 25% of your company or who exercises significant control over it.
- **Prepare Documentation:** Gather necessary information, including names, birthdates, addresses, and identifying numbers (such as a driver's license or passport number of beneficial owners).
- **File on Time:** Ensure timely submission of beneficial ownership information to FinCEN to avoid penalties.

**For more information or assistance with your CTA filing, contact your legal counsel or file directly at <https://www.fincen.gov/boi>**

## Stay Compliant, Stay Protected

The Corporate Transparency Act is a significant step towards greater corporate accountability and transparency. Ensure your business complies with the new requirements to avoid penalties and contribute to a more transparent business environment.



8712 West Dodge Road  
Omaha, NE 68114  
402.763.6000

[ACCESSbank.com](https://www.accessbank.com)



Member  
**FDIC**