

the

CORPORATE

TRANSPARENCY

ACT

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Agenda

01

The Corporate
Transparency Act and
FinCEN

02

What entities are
subject to the new
regulations?

03

Reporting
Requirements

04

Penalties for non-
compliance

01 CTA

The Corporate Transparency Act aims to enhance transparency and prevent the misuse of anonymous shell companies for illicit activities, such as money laundering and terrorism financing.

The CTA requires certain entities (each defined as a “reporting company”) to file, in the absence of an exemption, information on their “beneficial owners” with the Financial Crimes Enforcement Network (“FinCEN) of the U.S. Department of Treasury (“Treasury”).

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FinCEN

FinCEN, or the Financial Crimes Enforcement Network, is a bureau within the U.S. Department of the Treasury.

Its core mission is to combat financial crimes that threaten the integrity of the U.S. financial system.

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The CTA primarily applies to "reporting companies," which include corporations, limited liability companies (LLCs), and similar entities formed under state law, with some exceptions.

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Reporting Entities

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**The CTA applies
to every state-
filing entity.**

Common Examples:

*Single Member
LLC used for
consulting*

*Family Limited
Partnerships
used for
investments*

*Family Print
Shop
Corporation*

*Construction / Real
Estate
Development LP*

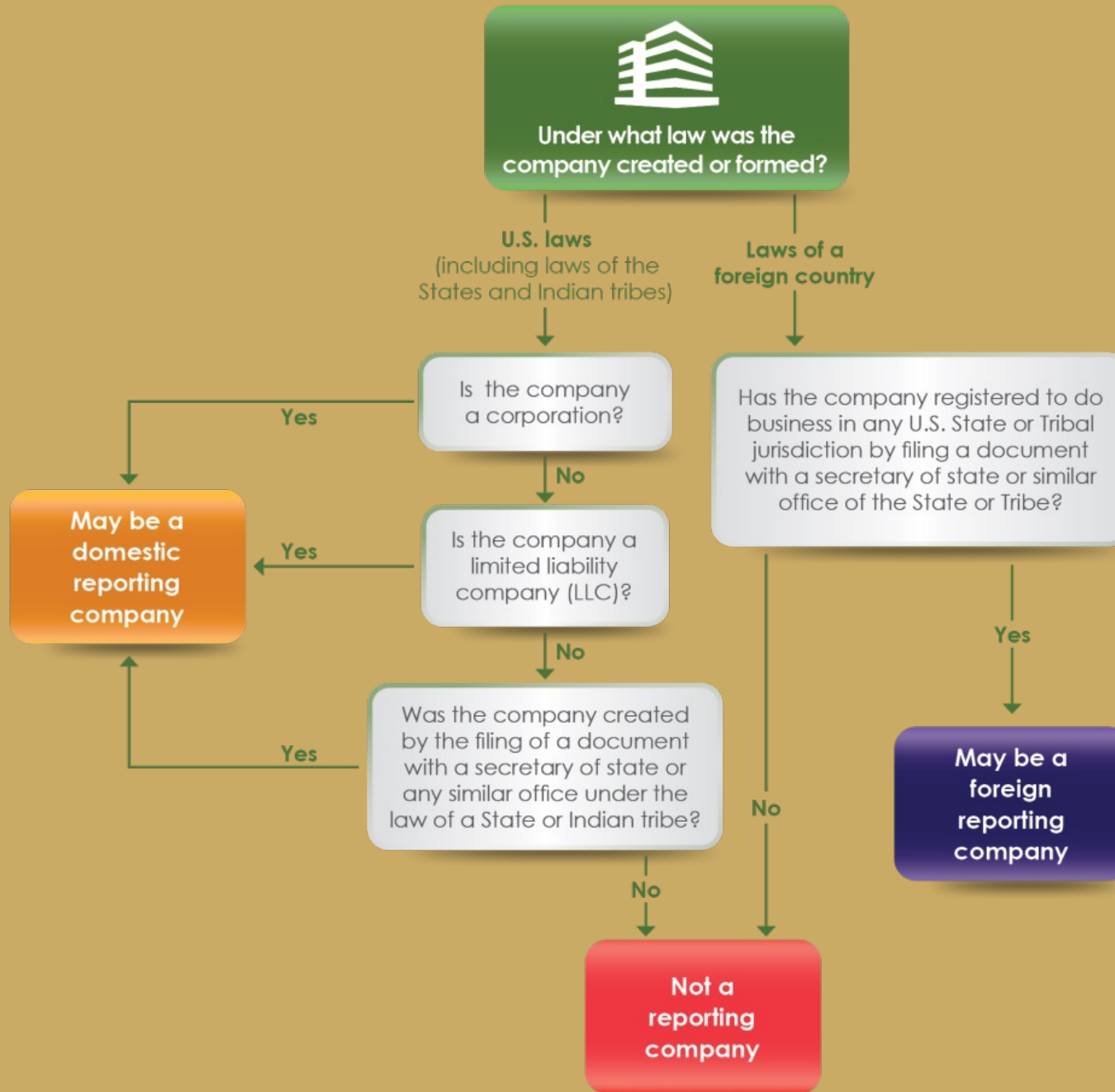
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**In other words,
basically everybody.**

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**Governmental
authorities
and utilities**

**Securities
reporting
issuer**

**Trusts as reporting
companies, but not as
beneficial owners**

**Insurance
Companies**

EXCEPTIONS

**"Inactive
Entity"**

General Partnerships

**Banks and
Credit Unions**

**Tax-exempt entities
(IE: Charities and
Charitable Trusts)**

**"Large Operating
Company"**

Important Concept:

Company Applicants

Must report company applicant if your company is registered *after* January 1, 2024.

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Important Concept:

Company Applicants: **WHO**

- A person who directly files the document to register the company (IE: Paralegal)
- If more than one person is involved, then the person primarily responsible for directing or controlling the filing (IE: Managing attorney)

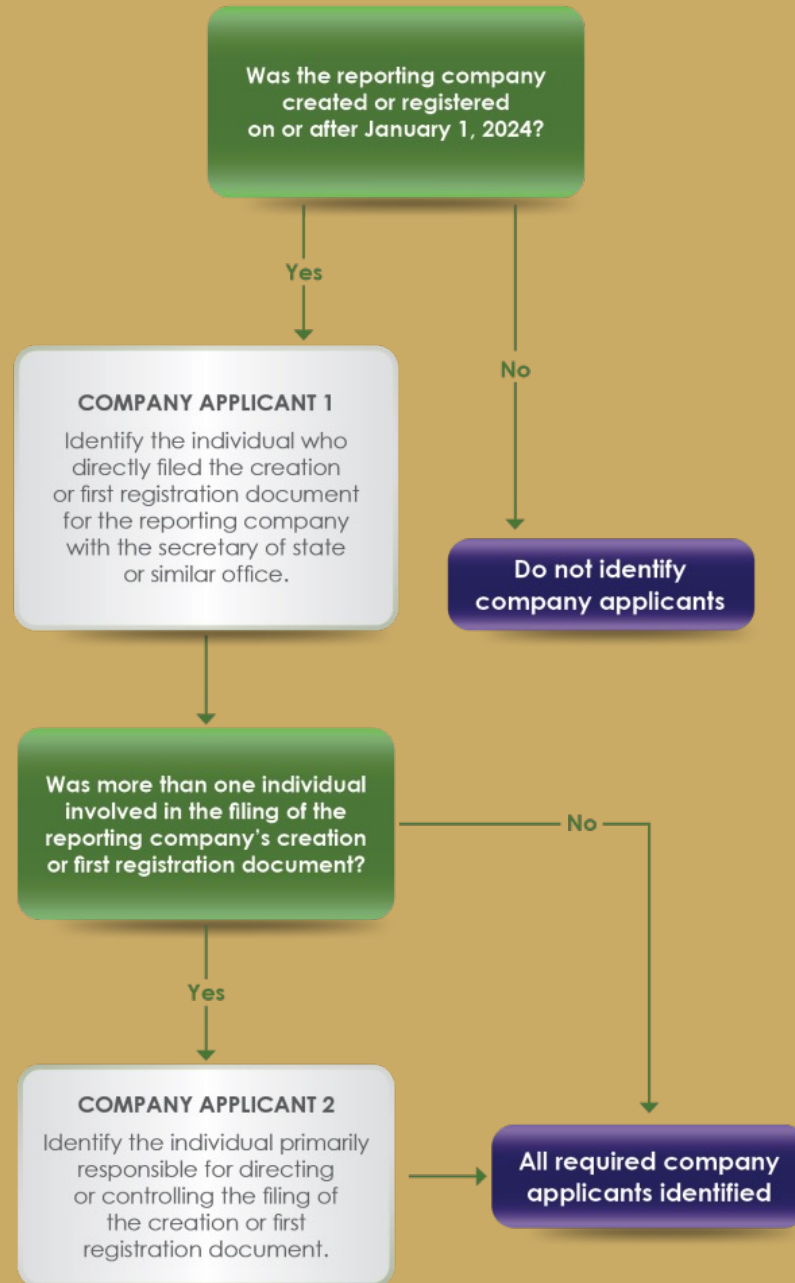
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Important Concept:

Beneficial Owners: WHO

Directly or indirectly,

Through any contract, arrangement, understanding, relationship, or otherwise either

- Exercises substantial control over the reporting company, or
- Owns or controls at least 25% of the ownership interests of the reporting company

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**Beneficial Owners
*exercise substantial
control* over the
reporting company.**

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SUBSTANTIAL CONTROL



SENIOR OFFICER

any individual holding the position or exercising the authority of a:

1. President
2. Chief financial officer (CFO)
3. General counsel (GC)
4. Chief executive officer (CEO)
5. Chief operating officer (COO)

or any other officer, regardless of official title, who performs a similar function as these officers



APPOINTMENT OR REMOVAL AUTHORITY

any individual with the ability to appoint or remove any **SENIOR OFFICER** or a majority of the board of directors or similar body



IMPORTANT DECISION-MAKER

any individual who directs, determines, or has substantial influence over important decisions made by the reporting company, including decisions regarding the reporting company's:

1. **Business**, such as:
 - Nature, scope, and attributes of the business
 - The selection or termination of business lines or ventures, or geographic focus
 - The entry into or termination, or the fulfillment or non-fulfillment, of significant contracts
2. **Finances**, such as:
 - Sale, lease, mortgage, or other transfer of any principal assets
 - Major expenditures or investments, issuances of any equity, incurrence of any significant debt, or approval of the operating budget
 - Compensation schemes and incentive programs for senior officers
3. **Structure**, such as:
 - Reorganization, dissolution, or merger
 - Amendments of any substantial governance documents of the reporting company, including the articles of incorporation or similar formation documents, bylaws, and significant policies or procedures



CATCH-ALL

any other form of substantial control over the reporting company. Control exercised in new and unique ways can still be substantial. For example, flexible corporate structures may have different indicators of control than the indicators included here

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**Beneficial Owners
*own or control at
least 25%* of the
ownership interests
of the reporting
company.**

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EQUITY, STOCK, OR VOTING RIGHTS

any interest classified as stock or anything similar, regardless whether it confers voting power or voting rights, and even if the interest is transferable

EXAMPLES include:

- equity, stock, or similar instrument
- preorganization certificate or subscription
- transferable share of, or voting trust certificate or certificate of deposit for, an equity security, interest in a joint venture, or certificate of interest in a business trust



CAPITAL OR PROFIT INTEREST

any interest in the assets or profits of a company organized as an LLC, which is similar to stock in a corporation and sometimes referred to as a 'unit'



CONVERTIBLE INSTRUMENTS

any instrument convertible into **equity, stock, or voting rights** or **capital or profit interest**, whether or not anything needs to be paid to exercise the conversion. The **RELATED** items are also ownership interests:

- any future on any convertible instrument
- any warrant or right to purchase, sell, or subscribe to a share or interest in **equity, stock, or voting rights** or **capital or profit interest**, even if such warrant or right is a debt



OPTION OR PRIVILEGE

any put, call, straddle, or other option or privilege of buying or selling **equity, stock, or voting rights, capital or profit interest, or convertible instruments**, EXCEPT if the option or privilege is created and held by others without the knowledge or involvement of the reporting company



CATCH-ALL

any other instrument, contract, arrangement, understanding, relationship, or mechanism used to establish ownership

02

Diving Deeper

Trusts

Only reporting entities if they register with a secretary of state (rare)

However, they can be beneficial owners:

- Trustees
- Beneficiaries
- Grantors that retain the right to revoke trust or withdraw assets (maybe)
- Special Trustees? (maybe)
- Trust Protectors? (maybe)

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Identifying Information on the Reporting Company

1. *Legal Name*
2. *Any trade names, DBAs*
3. *Addresses for principal place of business*
4. *Jurisdiction formed*
5. *Tax ID*

Identifying Information on Beneficial Owners & Company Applicants

1. *Legal Name*
2. *Date of birth*
3. *Current Residential Address*
4. *Drivers' License or Passport #*
5. *Image of document with ID*

FinCEN Identifier

1. *Unique identification number*

03 Reporting

FinCEN *Identifier*

A unique identifying number that FinCEN will issue to an individual or reporting company upon request after the individual or reporting company provides certain information. An individual or reporting company may only receive one FinCEN identifier.

Important for individuals with multiple entities.

Available after 1/1/2024.

Just like the other reporting information, must be corrected within 30 days, if it changes.

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WHEN to Report

**Existing
Entities**

January 1, 2025

**New
Companies**

*90 Days After Formation for 2024
30 Days After Formation after 2024*

**Any Changes to
Beneficial Owners**

30 Days After Change

HOW to Report

If you are required to report your company's beneficial ownership information to FinCEN, you will do so electronically through a secure filing system available via FinCEN's Website.

This system is currently being developed and will be available before your report must be filed.

WHERE to Report

The form to report Beneficial Owner Information is not yet available.

Once available, information about the form will be posted on FinCEN's beneficial ownership information webpage.

[Click Here](#)

Other Important FAQs



Can a parent company file a single BOI report on behalf of its group of companies?

No.

Any company that meets the definition of a reporting company and is not exempt is required to file its own BOI report.

Other Important FAQs



What are some likely triggers for needing to update a beneficial owner report?

- *Any change to the information reported for the reporting company, such as registering a new business name.*
- *A change in beneficial owners, such as a new CEO or a sale that changes who meets the interest threshold of 25%.*
- *Any change to a beneficial owner's name, address, or unique identifying number previously provided to FinCEN. If a beneficial owner obtained a new driver's license or other identifying document that includes a changed name, address, or identifying number, the reporting company also would have to file and updated BOI report with FinCEN, including an image of the new identifying document.*

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The CTA imposes penalties for non-compliance with reporting obligations, including civil monetary penalties and potential *criminal* penalties for willful violations.

Non-Compliance

CIVIL

\$500 / day

CRIMINAL

Up to \$10,000 and/or 2 years of imprisonment

What now?

Make a plan.

Talk with your CPA or licensed financial advisor or professional about what options are actually best for you.

Act Now.

It's not too late, but you need to be prepared.

Get Venture Vault.

Venture Vault is a resource for owners, CPA's and financial advisors of business owners like you.



A Safe Place for Business.

Venture Vault provides an ultra-secure storage solution and real-time compliance monitoring for your entities.



VENTURE
V A U L T



**Monitor your
entity status
in real-time.**



**Generate
your annual
minutes.**



**Ultra-secure
document
storage.**



**Act as your
registered
agent.**



**File your CTA
information
with FinCEN.**



[Click Here For a Demo](#)

Entity Search

Search for... Entity Name

Active Entity Roster

Entity Name	State
Davidson Lutheran	TX
Derrick Co MGMT LLC	TX
Proctor management	TX
McGuyver Industries	TX
Jones Rd. Coffee Co	TX
Pasadena Law LLC	CO
Further Industries	FL

Entity Representatives

Name	Role
Tawny Davidson	Owner
Jefferson Merrick	Representative
Terrence O'Toole	Representative
Eckhart Bellringer	Representative

Entity Information Form

Entity Name	John Peppercom	Attorney Address	142415 Johnny Cakes Lane, Housotn TX 77080
Entity Type	C Corporation	Attorney Email	134@gmail.com
EIN	192503520058	Attorney Phone	33-333-5555
Registered Agent Name	Jake Johnny	CPA Name	Jackie Doe
Registered Agent Address	142415 Pine Lane, Housotn TX 77080	CPA Address	11211 Joe Joe Freeway, Nevada Utah 1234
Principal Office Address	142415 Pine Lane, Housotn TX 77080	CPA Email	123@netzero.net
State of Incorporation	Texas	CPA Phone	222-242-2222
State File Number	123502015	Entity Ownership / Management	Texas
Web File Number (TX Comptroller Only)	123502015	Assumed Names	Mister Esquire
Contact Address	142415 Pine Lane, Housotn TX 77080	Assumed Names	Dan Joseph John Doe Dave Smith California Henley
Contact Email	1234@hotmail.com	Annual Minutes Drafted	1
Contact Phone	713-668-9874	Annual Minutes Executed	2
Attorney Name	Jim Van Jones		



Thank you.

Got a Question?
Email us: Carly@Dossey.com
admin@venture-vault.com