

The Corporate Transparency Act (CTA) will create a national database of companies/entities in the U.S. that identifies the human beings with a substantial interest in the entity, or who have substantial control of the entity.

The law is part of an increasing effort to combat money-laundering, terrorism, tax evasion, and other financial crimes.

Congress intends to help law enforcement by creating a national database allowing law enforcement to sift through so-called "shell" entities that flout the law.

The reporting rules require informing as to names, home addresses, driver's license numbers and other forms of personal identification,

The U.S Financial Crimes Enforcement Network will be the recipient of the sensitive information.

Filing is required FOR ACTIVE ENTITIES (limited liability companies, partnerships, corporations and other entities such as trusts with an tax identification number THAT ARE NOT EXCLUDED) created on or after January 1, 2024 within 90 days.

For entities created before January 1, 2024 the filing may be accomplished by January 1, 2025.

For example, a single member limited liability company using the social security number of the sole member may be required to secure a tax identification number and regardless, will be required to file.

Penalties are severe for non-filers. Senior officers of an entity and those with a substantial interest in the entity that do not file may be fined up to \$500 PER DAY per person for every day the filing not made after its due date.

There are several open questions and the forms will be available after January 1st, 2024. Please consult Don Furman at FGD for more information.