



CLIENT ALERT

THE CORPORATE TRANSPARENCY ACT

What is the CTA?

The CTA is the Corporate Transparency Act. Congress enacted the Corporate Transparency Act in January 2021. The stated purpose of the CTA is to combat money laundering, terrorism, and other international criminal activity.

Why should I care about it?

If you organize a new corporate entity on or after **January 1, 2024** - i.e., you form a new corporation or LLC by filing documents with the Vermont Secretary of State - you will need to submit personal and business information to [FinCEN](#) (a division of the U.S. Department of the Treasury) within **90 days** of forming the business entity, unless your new entity is subject to an exemption.

If you own an **existing corporate entity**, you will need to submit personal and business information to FinCEN before **January 1, 2025**, unless your existing entity is subject to an exemption.

Is my new or existing entity exempt?

In general, the CTA exempts two types of entities from its requirements:

- Entities already subject to federal regulation (e.g., a bank or credit union, a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code, or an SEC reporting company).
- “Large operating companies”—entities that, in sum: (1) employ more than 20 full-time employees; (2) use a physical office located in the United States; **and** (3) file a federal income tax or information return for the prior year demonstrating more than \$5,000,000 in gross receipts or sales.

The exemptions from the CTA are complicated. You should speak with your corporate attorney at Dinse to assess whether your entity is subject to the CTA.

***My new or existing entity isn't exempt.
What information do I have to file and who can help
me file it?***

If your entity is subject to the CTA, you will need to file personal and corporate information on “beneficial owners” of the entity (equity owners and persons with “substantial control” over the entity) with FinCEN by the applicable deadline.

You can make these filings with FinCEN independently, or through corporate filing organizations like CT Corporation and Corporation Service Company. The links below contain information on FinCEN and these filing services.

- [FinCEN information on beneficial ownership](#)
- [CT Corporation](#)
- [Corporation Service Company](#)

If you have questions about the above, please contact your corporate attorney at Dinse.