

The Corporate Transparency Act | Beneficial Ownership Information Report

What is The Corporate Transparency ACT “CTA”?

The Corporate Transparency Act (CTA), enacted in 2021, aims to fight financial crimes like money laundering and terrorism financing by making companies disclose who ultimately owns them. In effect since January 2024, certain US businesses must report details of their "beneficial owners" (individuals with significant control) to a government database. This helps authorities track illicit activity and makes it harder for bad actors to hide behind anonymous companies. While mainly impacting small businesses, the CTA is a key step towards increased financial transparency. CTA is a game-changer for business transparency in the U.S, but with its intricacies, it can leave many business owners, especially those of small LLCs, wondering: Do I need to report under the CTA?

Which Business Types/ Entities Must Report?

Entities that Must Report				
Corporations (C, S, B-Corps)	Limited Liability Companies "LLCs" (Single, Member/ Manager Managed)	Limited Partnerships "LPs" (General and Limited Partners)	Limited Liability Limited Partnerships "LLPs" (Members and Partners)	Entities Formed with the Secretary of State

What Information Must Be Reported?

Business Information					
	Legal Name	Trade Names (DBA)	TAX ID (EIN)	Jurisdiction of Information	Business Address
Owner(s) Information					
	Legal Name	Date of Birth	Home Address	Photo ID (License or Passport)	Photo ID Number

I'm an Owner, Do I need to Report?

Owner Reporting		
You own 25% or more	Senior Level Professional	New Company Applicants
Must Report	Must Report	Must Report

What are the Key Dates to Know?

Key Dates		
Your Business was formed before 1/1/2024	Your Business was formed 1/1/2024 - 12/31/2024	Your Business was formed 1/1/2025 or After
You have until 1/1/2025 to comply.	You have 90 days from Formation to comply.	You have 30 days from Formation to comply.

What are the Penalties for Failing to Comply?

Penalties		
\$500 a day until filed	Up to 2 years in prison or/and a \$10,000 Fine	Senior Officers are held accountable if companies don't comply



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