

CTA Q&A

PREPARED BY SADEK LAW

Welcome! Glad you could all make it

We're going over the basics here and will hopefully have time for answering questions

PLEASE LEAVE QUESTIONS IN THE CHAT - we will answer what we can at the end OR if we don't have time, we will send out an additional Q&A sheet with the questions asked today.

In addition, at the end of the session, you will get our cheat sheet, a copy of these slides

Just to be clear, there is pages and pages of information on this act and how to comply. Obviously we can't cover everything.

our intention is BASIC info for MOST people. You may not fit neatly into these categories and may need additional help, which we can give.

What is it?

The Corporate Transparency Act (CTA) passed in 2021, with the goal of gathering information on companies doing business in the US to assist in the prosecution of financial crime. This is why the US Department of Treasury's Financial Crimes Enforcement Network (FinCEN) is heading up the process for business owners. If you are a reporting company you will need submit "beneficial ownership information" (BOI) to FinCEN.

part of the U.S. government's efforts to make it harder for bad actors to hide or benefit from their ill-gotten gains through shell companies or other opaque ownership structures.

FinCEN will permit Federal, State, local, and Tribal officials, as well as certain foreign officials who submit a request through a U.S. Federal government agency, to obtain beneficial ownership information for authorized activities related to national security, intelligence, and law enforcement.



You are a reporting company if you are:

Corporation / LLC / Other entity created in the US by filing with the State or an Indian tribe

A foreign company registered to do business in any US state or Indian tribe

There are exceptions but they don't really apply to many of us normal folks (next slide)

sole props do NOT count as reporting companies unless they filed something with the secretary of state

Filing a document with a government agency to obtain (1) an IRS employer identification number, (2) a fictitious business name, or (3) a professional or occupational license does not create a new entity, and therefore does not make a sole proprietorship filing such a document a reporting company.

C. 2. Are some companies exempt from the reporting requirement?

Yes, 23 types of entities are exempt from the beneficial ownership information reporting requirements. These entities include publicly traded companies meeting specified requirements, many nonprofits, and certain large operating companies.

The following table summarizes the 23 exemptions:

Exemption No.	Exemption Short Title
1	Securities reporting issuer
2	Governmental authority
3	Bank
4	Credit union
5	Depository institution holding company
6	Money services business
7	Broker or dealer in securities
8	Securities exchange or clearing agency
9	Other Exchange Act registered entity
10	Investment company or investment adviser
11	Venture capital fund adviser
12	Insurance company
13	State-licensed insurance producer
14	Commodity Exchange Act registered entity
15	Accounting firm
16	Public utility
17	Financial market utility
18	Pooled investment vehicle
19	Tax-exempt entity
20	Entity assisting a tax-exempt entity
21	Large operating company
22	Subsidiary of certain exempt entities
23	Inactive entity

What do I need to do?

REPORT BENEFICIAL OWNERS TO FINCEN

A beneficial owner is an individual who either directly or indirectly: (1) exercises substantial control over the reporting company, or (2) owns or controls at least 25% of the reporting company's ownership interests

what is substantial control?

If the individual falls into any of the categories below, the individual is exercising substantial control:

Senior officer (the company's president, chief financial officer, general counsel, chief executive officer, chief operating officer, or any other officer who performs a similar function).

Anyone who has authority to appoint or remove certain officers or a majority of directors of the reporting company.

Anyone who is an important decision-maker for the reporting company.

Anyone who has any other form of substantial control over the reporting company as explained further in FinCEN's Small Entity Compliance Guide

When do I need to do it by?

Because the law is new, we have some time to comply. By 2025, this requirement deadline will be 30 days.

REPORTING COMPANY DEADLINES

REPORTING COMPANY DEADLINES:

- If your business was started before January 1, 2024, you have until the end of 2024 to report.
- If your business is created in 2024, you will have 90 days after registration with the State to report.
- If your business is created on or after January 1, 2025, you will have 30 days.

How do I report



YOU CAN E-FILE YOUR BOI BY DOING THE FOLLOWING: (HINT: THIS IS FREE AND NOT HARD)

- go to <https://boiefiling.fincen.gov> and select "File BOIR"
- Select either PDF or web option
- Fill out form (will take several minutes and you will need some information—SEE TO THE LEFT)

What Info Do I Need for the BOIR?

KNOW/BRING THE FOLLOWING

- Business Name
- Tax ID (EIN/SSN)
- Street Address (NO PO Box)
- Company applicant info (who is filing the report) - for FUTURE filings only, otherwise skip
- Beneficial owner info (info on all owners/decision makers of company)
- Copy of Beneficial Owner ID (drivers license/passport)
- Email address for applicant



Welcome to the BOI E-Filing System

The BOI E-Filing System supports the electronic filing of the Beneficial Ownership Information Report (BOIR) under the Corporate Transparency Act (CTA). The CTA requires certain types of U.S. and foreign entities to report beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury.



File BOIR

Need to file a BOIR?
Click here!



Help

Looking for more
information? Click here



Beneficial Ownership Information (BOI) Reporting

Need to file a BOIR? Click here!

[GET STARTED](#)



Bank Secrecy Act (BSA) Reporting

Need to file another type of
BSA report? Click here!

[BSA E-FILING](#)


News & Announcements

Jan 04 2024

Need assistance? Go to the Help section in the blue banner to find filing instructions and other guidance materials.

File the Beneficial Ownership Information Report (BOIR)

Select the filing method that works best for you:



File PDF BOIR

- Adobe Reader is required
- Prepare report offline at your own pace, save as you go
- Reuse PDF BOIR when filing updates/corrections
- Download BOIR transcript upon submission

[Prepare BOIR](#) [Submit BOIR](#)



File Online BOIR

- Adobe Reader NOT required
- Prepare report online and submit now
- Prepare new Online BOIR when filing updates/corrections
- Download BOIR transcript upon submission

[Prepare & Submit BOIR](#)



System-to-System API

If you are interested in this method of filing, select the button below to contact FinCEN and one of our representatives will reach out.

[Contact FinCEN for API Information](#)

FinCEN also offers system-to-system BOIR transmission via secure Application Programming Interface (API) for those, including third-party service providers, who are interested in automating the BOIR filing process:

Beneficial Owner

WARNING!

You are entering a U.S. Government information system maintained, administered, and operated by the U.S. Department of the Treasury. This information system may only be used for authorized purposes. The U.S. Government may monitor, record, and audit all activity on this information system. By accessing and using this system, users are consenting to U.S. Government monitoring, recording, and auditing of their activity on this information system.

Beneficial Ownership Information Report (BOIR)
OMB No. 1506-0076

Complete the report in its entirety with all required information. Fields marked with an asterisk (*) symbol are the fields that, at a minimum, must be completed by all companies to file the report. Reporting companies, however, must include all information 31 CFR 1010.380(b) requires them to provide, regardless of whether a field is marked with an asterisk (*) symbol. These information requirements are summarized above under HELPS.

Filing Information

Need help?

1. Type of filing:

- a. Initial report
- b. Correct prior report
- c. Update prior report
- d. Newly exempt entity

2. Date prepared (auto-filled):

03/24/2024

Previous Next

PRIVACY ACT AND PAPERWORK REDUCTION ACT NOTICE

This notice is given under the Privacy Act of 1974 (Privacy Act) and the Paperwork Reduction Act of 1995 (Paperwork Reduction Act). The Privacy Act and Paperwork Reduction Act require that FinCEN inform persons of the following when requesting and collecting information in connection with this collection of information.

This collection of information is authorized under 31 U.S.C. 5336 and 31 C.F.R. 1010.380. The principal purpose of this collection of information is to generate a database of information that is highly useful in facilitating national security, intelligence, and law enforcement activities, as well as compliance with anti-money laundering, countering the financing of terrorism, and customer due diligence requirements under applicable law. Pursuant to 31 U.S.C. 5336 and 31 C.F.R. 1010.380, reporting companies and certain other persons must provide specified information. The provision of that information is mandatory and failure to provide that information may result in criminal and civil penalties. The provision of information for the purpose of requesting a FincEN Identifier is voluntary; however, failure to provide such information may result in the denial of such a request.

Generally, the information within this collection of information may be shared as a "routine use" with other government agencies and financial institutions that meet certain criteria under applicable law. The complete list of routine uses of the information is set forth in the relevant Privacy Act system of record notice available at <https://www.federalregister.gov/documents/2023/09/13/2023-19814/privacy-act-of-1974-system-of-records>.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1506-0076. It expires on November 30, 2026.

The estimated average burden associated with this collection of information from reporting companies is 90 to 650 minutes per respondent for reporting companies with simple or complex beneficial ownership structures, respectively. The estimated average burden associated with reporting companies updating information previously provided is 40 to 170 minutes per respondent for reporting companies with simple or complex beneficial ownership structures, respectively. The estimated average burden associated with this collection of information from individuals applying for FincEN Identifiers is 20 minutes per applicant. The estimated average burden associated with individuals who have obtained FincEN Identifiers updating information previously provided is 10 minutes per individual. Comments regarding the accuracy of this burden estimate, and suggestions for reducing the burden should be directed to the Financial Crimes Enforcement Network, P. O. Box 39, Vienna, VA 22183, Attn: Policy Division.

You can also use this page to correct a prior report that was incorrect, update a report, or report a newly exempt entity



First section requires reporting information about the company itself

You do not need to request a FinCEN ID for the reporting company but you can to make future reports easier (just enter the FinCEN ID instead of all of the reporting company information)

Legal name and alternate name(s)

[? Need help?](#)

*5. Reporting Company legal name

Sadek Consulting LLC

6. Alternate name (e.g. trade name, DBA)

[Add Alternate Name](#)

enter any trade names, DBAs, or certificates of assumed name (in the state of Michigan)

Different states call this kind of thing different names

Form of identification

Need help?

*7. Tax Identification type

EIN

*8. Tax Identification number

85

9. Country/Jurisdiction (if foreign tax ID only)

Select a country

EIN if you have one
SSN if you do not

Jurisdiction of formation or first registration

Need help?

*10. a. Country/Jurisdiction of formation

United States of America

Domestic Reporting Company

b. State of formation

Michigan

c. Tribal jurisdiction of formation

Select a local/tribal

d. Name of the other Tribe

This is the jurisdiction in which your business is set up

Current U.S. address

Need help? ⌵

*11. Address (number, street, and apt. or suite no.) *12. City

3280 Beltline Court NE, Suite 400 Grand Rapids

*13. U.S. or U.S. Territory *14. State *15. ZIP code

United States of America ✕ ⌵ Michigan ✕ ⌵ 49525 ⋮

[Previous](#) [Next](#)

PRIVACY ACT AND PAPERWORK REDUCTION ACT NOTICE ⌵

This means you need to have a street address for the company reported here

Beneficial Ownership Information Report (BOIR)

OMB No. 1506-0076

Complete the report in its entirety with all required information. Fields marked with an asterisk (*) symbol are the fields that, *at a minimum*, must be completed by all companies to file the report. Reporting companies, however, must include all information 31 CFR 1010.380(b) requires them to provide, regardless of whether a field is marked with an asterisk (*) symbol. These information requirements are summarized above under HELP.

Filing Information

Reporting Company

Company Applicant(s)

Beneficial Owner(s)

Submit

Need help?

Instructions for Item 16 - Existing reporting company:

Check this box if the reporting company was created or registered before January 1, 2024. Do not check the box if the reporting company was created or registered on or after January 1, 2024. Reporting companies that check this box are not required to report any company applicants; proceed to Part III.

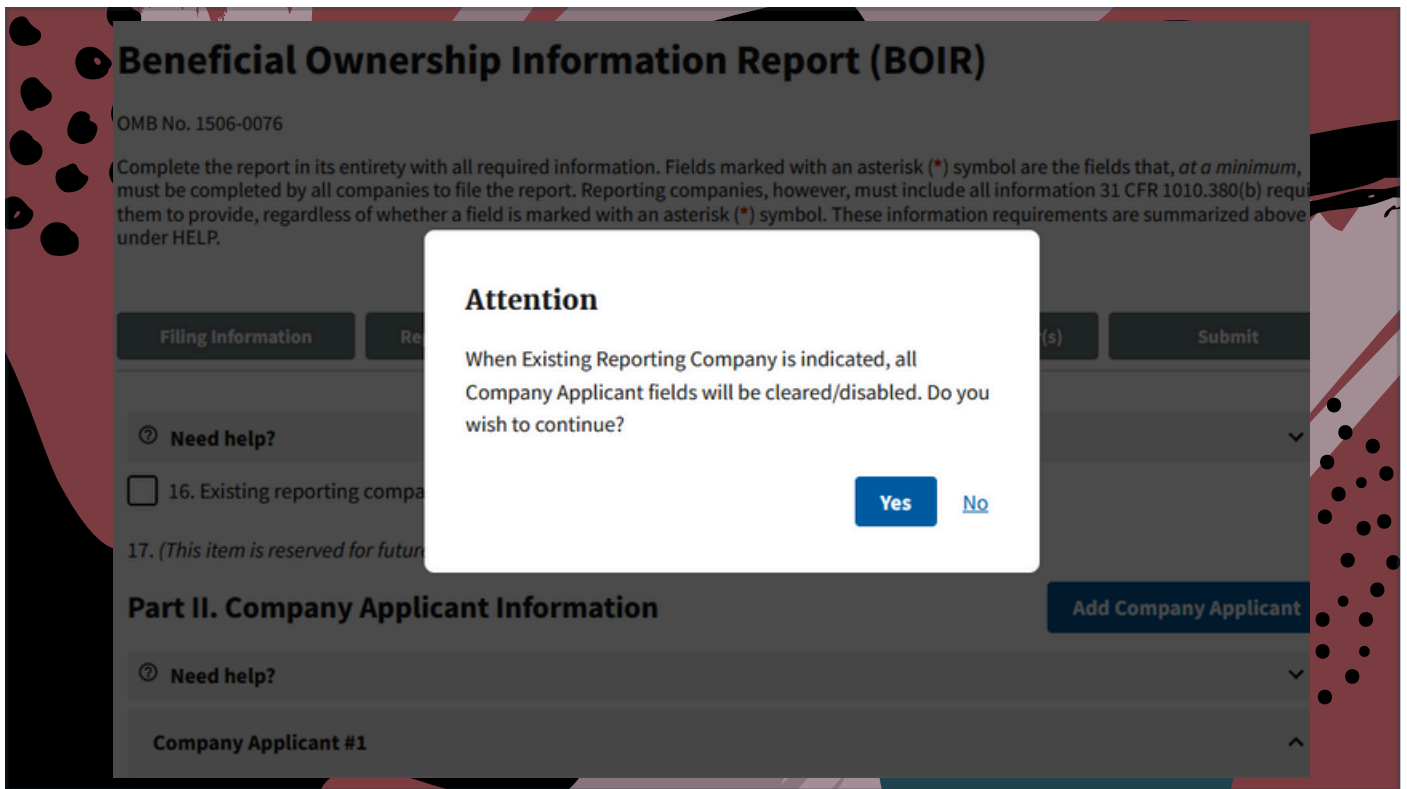
16. Existing reporting company (check if existing reporting company as of January 1, 2024)

17. (This item is reserved for future use)

The next section is reporting information on the company applicant (the person filing the report)

You check the box if your company was created BEFORE this year

If you are a new company, do not check the box



If you check the box, you do not need to fill out company applicant information.

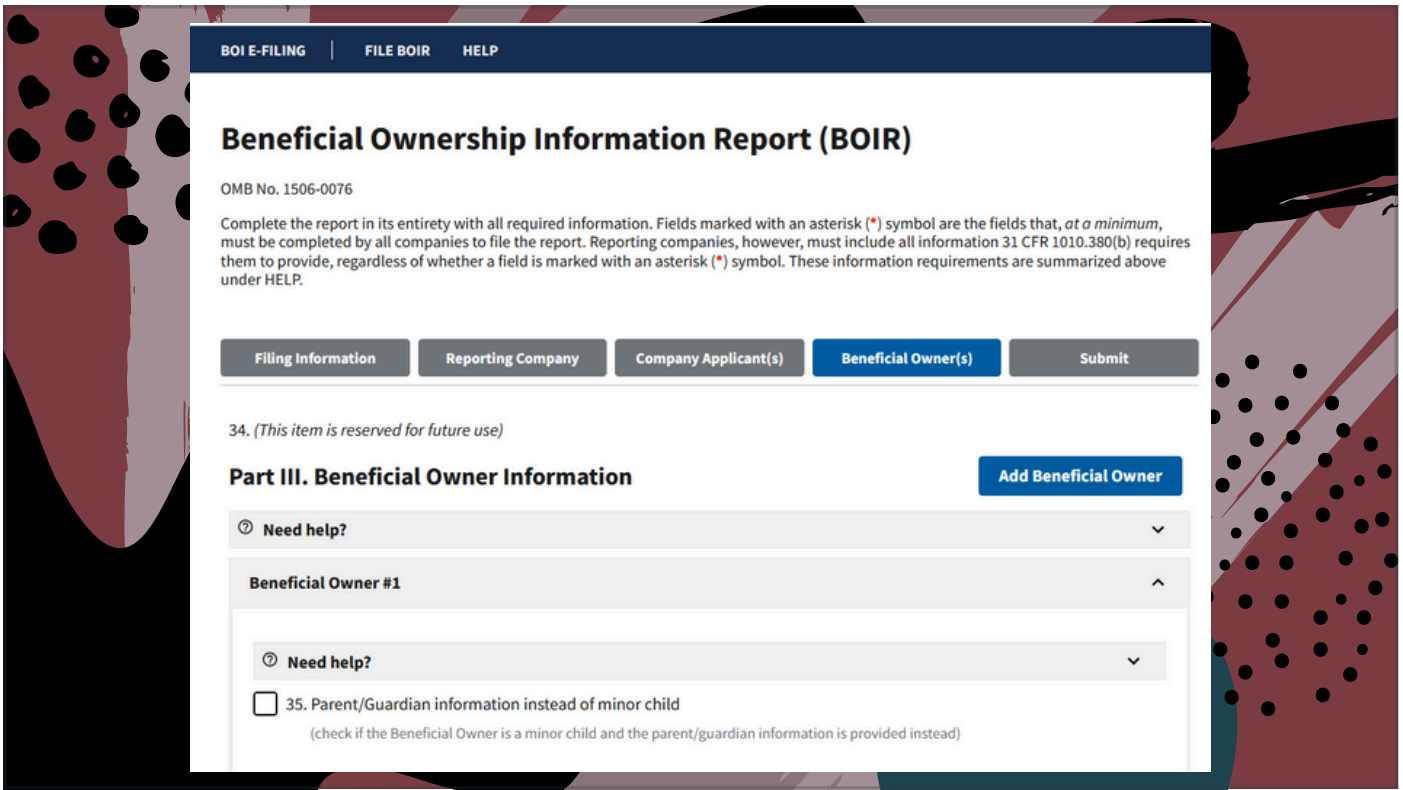
Future companies WILL need to have a company applicant and will be required to fill out this section

The image shows a screenshot of a web form titled "Part II. Company Applicant Information". At the top right, there is a button labeled "Add Company Applicant". Below the title, there is a "Need help?" section with a dropdown arrow. Underneath, a section titled "Company Applicant #1" is visible. Within this section, there is a sub-section titled "Company applicant FinCEN ID" which also has a "Need help?" dropdown. A text box contains the following instructions: "Instructions for Item 18 – FinCEN ID: Reporting companies may report the FinCEN ID for a company applicant instead of the information in fields 19 through 33. Enter the FinCEN ID as a single text string. If a FinCEN ID for the company applicant is not provided, information about the company applicant must be provided in fields 19 through 33." Below the instructions, the label "18. FinCEN ID" is followed by an empty text input field.

SKIP if older company

NEW companies will need to do this.

Company applicants can get a FinCEN ID to assist in filling future reports

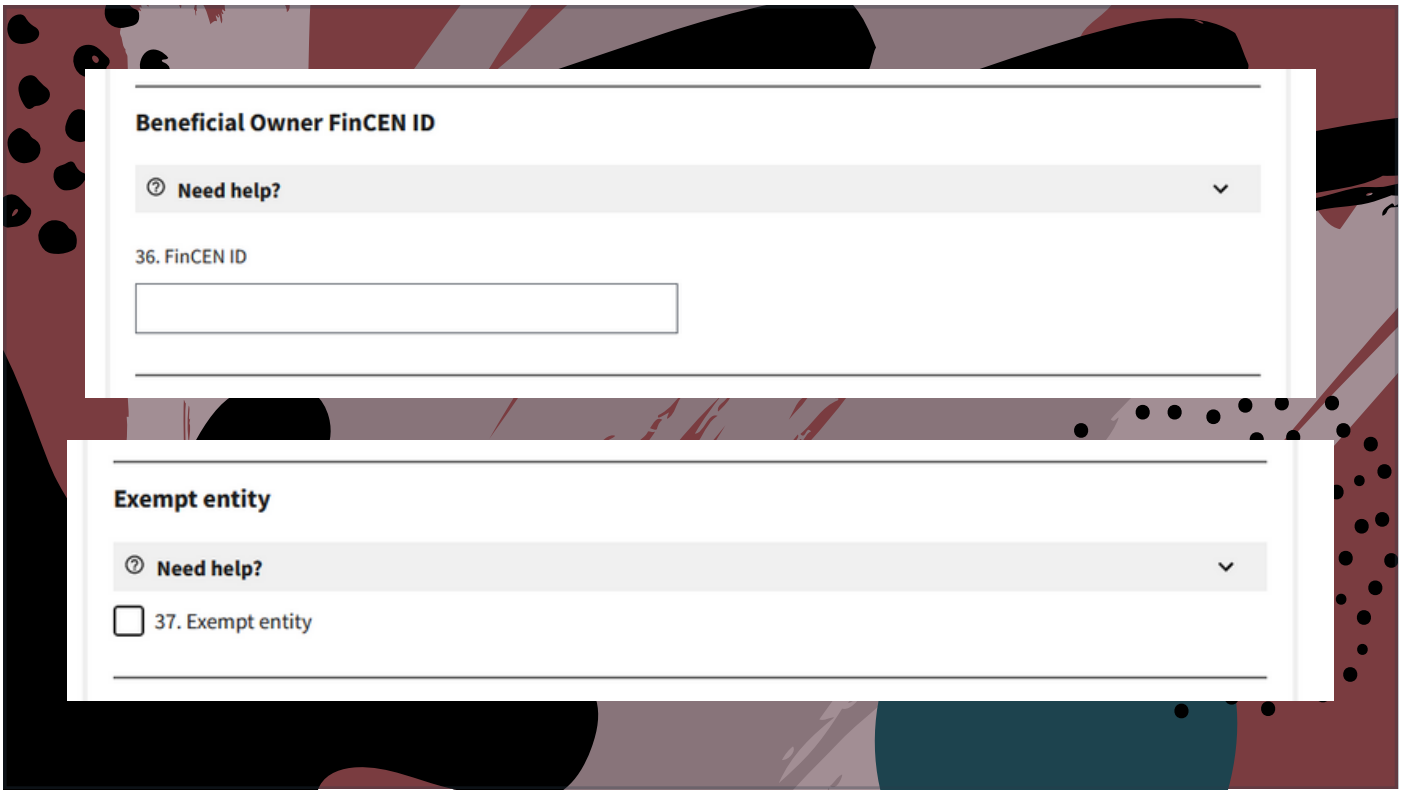


The final section is on the Beneficial owners of the company

You may need to add more than one beneficial owner, depending on your structure.

Again, this is anyone who:

directly or indirectly: (1) exercises substantial control over the reporting company, or (2) owns or controls at least 25% of the reporting company's ownership interests



Beneficial owners can request FinCEN ids as well

If you have one as an owner, you can use the same ID for all companies for which you are an owner. It makes the process faster.
You don't have to upload each time you do a report.

There are exempt entities - the list is not long and not most people (already saw these)

Legal name and date of birth

[Need help?](#)

*38. Individual's last name or entity's legal name

Sadek

*39. First name

Nichole

40. Middle name

A.

41. Suffix

*42. Date of birth

[REDACTED]

Residential address

[Need help?](#)

*43. Address (number, street, and apt. or suite no.)

3280 Beltline Court NE, Suite 400

*44. City

Grand Rapids

*45. Country/Jurisdiction

United States of Amer [dropdown]

*46. State

Michigan [dropdown]

*47. ZIP/Foreign postal code

49525

Form of identification and issuing jurisdiction

Need help?

*48. Identifying document type

State issued driver's license X | v

*49. Identifying document number

H00000000000

*50. Identifying document issuing jurisdiction

a. Country/Jurisdiction

United States of America X | v

b. State

Michigan X | v

c. Local/Tribal

Select a local/tribal | v

d. Other local/Tribal description

*51. Identifying document image

Drag file here or [choose from folder](#)

Beneficial Ownership Information Report (BOIR)

OMB No. 1506-0076

Complete the report in its entirety with all required information. Fields marked with an asterisk (*) symbol are the fields that, at a minimum, must be completed by all companies to file the report. Reporting companies, however, must include all information 31 CFR 1010.380(b) requires them to provide, regardless of whether a field is marked with an asterisk (*) symbol. These information requirements are summarized above under HELP.

[Filing Information](#) | [Reporting Company](#) | [Company Applicant\(s\)](#) | [Beneficial Owner\(s\)](#) | [Submit](#)

Complete all fields below before submitting. Directly after submission, a processing page will be displayed, followed by a page confirming the status of your report. This confirmation page will also give you an opportunity to download a transcript of your report.

*Email

*Confirm Email

*First Name

*Last Name

***I certify that I am authorized to file this BOIR on behalf of the reporting company. I further certify, on behalf of the reporting company, that the information contained in this BOIR is true, correct, and complete.**

I agree



Contact us!

Email: admin@sadeklawplc.com

(616) - 551 - 0163

Socials: [sadeklawplc](#)

3280 Beltline Court NE, Suite 400