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To: Clients of Rossway Swan
From: Rossway Swan
Re: Important Information Regarding the Corporate Transparency Act and Reporting Obligations

We are reaching out to inform clients who may be control persons in a business entity about the new reporting obligations under the Corporate Transparency Act (the “CTA”).

Effective from January 1, 2024, the CTA requires almost every business entity (corporations, limited liability companies, and registered partnerships, but not common law unregistered partnerships, large operating companies or tax-exempt entities) that has been formed in the United States by registration with any state’s secretary of state to report specific information about their Beneficial Owners and Company Applicants to the Financial Crimes Enforcement Network (FinCEN), an agency under the U.S. Department of the Treasury. The stated purpose of the CTA is to assist national security, intelligence, and law enforcement efforts to counter money laundering, the financing of terrorism, and other illicit activities.

A Beneficial Owner, as defined by the CTA, is any individual who owns or controls 25% or more of the equity interests in a company or has significant responsibility to control, manage, or direct a company. This includes most officers and directors.

Each covered business entity is required to provide the following information to FinCEN about each of its Beneficial Owners:

1. Full legal name
2. Date of birth
3. Current residential street address
4. The ID Number of, and a digital copy of, an unexpired government-issued identifying document that contains a unique identifying number (an unexpired U.S. passport or a state driver's license; or, if neither exist for a particular Beneficial Owner, an unexpired foreign passport.)

Beneficial Ownership information is required to be reported for nearly all business entities that were formed prior to 2024. For business entities formed in 2024 or beyond, in addition to Beneficial Owners, the CTA also requires companies to provide similar identifying information on individuals who assist with corporate formation for any entity, referred to as Company Applicants. A Company Applicant is any individual who files an application to form a corporation, limited liability company, or other similar entity, or registers a foreign entity to do business in the United States

This information must be submitted to FinCEN by December 31, 2024 for business entities that already exist; within 90 days of formation for entities formed in 2024; and within 30 days of formation for entities formed in 2025 or thereafter. If any reported information changes, the entity must report the changes within 30 days. Annual reporting is not required, but a new report must be submitted whenever the Beneficial Owners change or their identifying information changes (including instances where their residential addresses or identifying documents expire and are replaced.)

We understand that these new reporting requirements are quite burdensome. Our Firm is available to answer any questions you may have regarding the CTA, your internal compliance procedures, and the identification of your entity's Beneficial Owners. However, please note that your entity itself, rather than our Firm, will need to do the actual reporting to FinCEN. Presently, e-Filings can be made at FinCEN's Beneficial Ownership Information e-Filing Portal at <https://boiefiling.fincen.gov/>.

We recommend you begin by working internally with your management team or control persons to discuss these new requirements and how they may impact your business.

Failure to file the required report with FinCEN or submitting false or inaccurate information can result in significant fines and even imprisonment. Penalties can range from five hundred dollars (\$500) for each day that a violation continues, up to ten thousand dollars (\$10,000), and/or two (2) years in prison. Therefore, it is very important that you determine whether the CTA imposes a filing requirement upon any entities in which you own an interest or otherwise control, and if so, how each entity will comply.

Please feel free to contact Kevin Barry or Ethan Moore (772-231-4440) if you have any questions.