

Table of Contents

Part I: Introduction.....	9
Chapter 1: What is the CTA?	9
A. Why You Should Care About the CTA.....	9
B. What is the CTA?	9
C. You Should Do More Than Just Address Your Obligations Under the CTA	9
D. A Bit of CTA History	11
E. Is the CTA Unconstitutional?.....	12
F. The CTA Can Be Complicated, Unfair, And Burdensome	13
Part II: Framework of the CTA	15
Chapter 2: The Approach Taken by the CTA.....	15
A. Introduction	15
B. No Good Faith Excuse to Avoid CTA Penalties	15
C. FinCEN’s Campaigns to Inform Consumers	16
D. Will Beneficial Owners Give Information to Reporting Companies?	16
E. Conclusion	18
Chapter 3: Privacy Concerns: Who Will See Your Personal Information?.....	19
A. Introduction	19
B. Do You Have Any Privacy Left?.....	19
C. Who Can Access the FinCEN database?	20
D. Personal Safety.....	21
E. New York Law.....	21
F. Conclusion	21
Chapter 4: Most CTA Filing Will Be Simple	23
A. Introduction	23
B. Why Most Reports May Be Simple Do It Yourself (DIY) Matters.....	23
C. Conclusion	24
Chapter 5: Getting Professional Help.....	25
A. Introduction	25
B. When To Get Professional Help on CTA Filings	26
C. Why You Really Want a Professional Advisory Team: It’s About More than Just the CTA.....	26
D. Filing Services	29
E. Accountants	30
F. Wealth Advisors	31
G. Conclusion	31
Part III: Reporting Companies.....	32
Chapter 6: Reporting Companies have to Report	32
A. Introduction	32
B. What is a Reporting Company?.....	32
C. How to Determine if an Entity is a Reporting Company?.....	33
D. Exemptions from Reporting Company Status	36
E. Conclusion	46

Chapter 7: What Information Do Reporting Companies Have to Provide?	47
A. Introduction	47
B. Information to Report	47
C. Conclusion	48
Chapter 8: Penalties for Failing to Report	49
A. Introduction	49
B. Penalties.....	49
C. The Willful Standard.....	51
D. Do Beneficial Owners Face Penalties?	52
E. Conclusion	52
Chapter 9: Foreign Considerations	54
A. Introduction	54
B. Foreign Reporting Companies.....	54
C. Asset Protection and Foreign Trusts	56
D. Conclusion	57
<i>Part IV: Beneficial Owners and Company Applicants.....</i>	58
Chapter 10: Who are Beneficial Owners Generally?	58
A. Introduction	58
B. What is a Beneficial Owner?	58
C. Substantial Control Defined	60
D. Direct or Indirect Exercise of Substantial Control	62
E. Ownership Interest	62
F. Shared, Indirect, Nominee, and Fiduciary Ownership	63
G. FinCEN’s Guidance on Who is a Beneficial Owner	64
H. Exceptions to the Definition of Beneficial Owners.....	70
I. Conclusion	72
Chapter 11: Information That Beneficial Owners Must Report	73
A. Introduction	73
B. Updating Your Information with FinCEN.....	73
C. Conclusion	74
Chapter 12: Beneficial Owners – Complications with Entities and Business Arrangements	75
A. Introduction	75
B. Lending Arrangements	75
C. Landlords and Lessors	76
D. Independent Contractors and Employees.....	76
E. Series LLCs	77
F. Bad Actors	77
G. Conclusion	78
Chapter 13: Beneficial Owners – Estate Planning	80
A. Introduction	80
B. Minors	80
C. Those Who Inherit.....	82
D. Executors/Personal Representatives	83
E. Community Property.....	83
F. Creditor Protection	84

G. Conclusion	85
Chapter 14: Beneficial Owners – Complications with Trusts	86
A. Introduction	86
B. Simple or Traditional Trusts	86
C. Complex or Modern Trusts	87
D. Complications	88
D. Conclusion	93
<i>Part V: Company Applicants and FinCEN Identifiers.....</i>	94
Chapter 15: Company Applicants	94
A. Introduction	94
B. What Information Company Applicants Need to Report.....	94
C. Who is a Company Applicant?	95
D. Conclusion	95
Chapter 16: FinCEN Identifier	96
A. Introduction	96
B. Issuance of FinCEN Identifier	96
C. Use of FinCEN Identifiers For Individuals	96
D. Use of FinCEN Identifiers For Entities	96
E. Examples on Use of FinCEN Identifier	97
F. Duty to Update or Correct Information Submitted to Obtain a FinCEN Identifier.....	98
G. Conclusion	98
<i>Part VI: Professional Advisors Considerations.....</i>	98
Chapter 17: For Professional Advisors – Informing Clients	99
A. Introduction	99
B. Current Clients	99
C. Inactive or Former Clients	99
D. Conclusion	100
Chapter 18: For Professional Advisors – Minimizing the Liability of Professionals	101
A. Introduction	101
B. Cybersecurity	101
C. Competence	101
D. Co-conspiracy	101
E. Company Applicant	102
F. Conclusion	102
Chapter 19: For Professional Advisors – Engagement Agreements	103
A. Introduction	103
B. Information to Consider Regarding Engagement Agreements	103
C. Conclusion	104
Chapter 20: For Professional Advisors – Comprehensive Trust Reviews	105
A. Introduction	105
B. Trust Elements to Consider	105
C. Conclusion	106
Chapter 21: For Professional Advisors – Confidentiality	107

A.	Introduction	107
B.	Issues With Confidentiality	107
C.	Conclusion	107
Chapter 22:	For Professional Advisors – New Company Formation.....	108
A.	Introduction	108
B.	Considerations Regarding New Company Formation	108
C.	Conclusion	108
Chapter 23:	For Professional Advisors – Collaboration With CPAs	109
A.	Introduction	109
B.	Getting Help from CPAs.....	109
C.	How CPAs Can Help	110
D.	Conclusion	111
Chapter 25:	For Professional Advisors – Wealth Advisors	112
A.	Introduction	112
B.	Considerations Wealth Advisors Can Make	112
C.	Conclusion	113
Part VII:	Conclusion	114
Appendices.....		115
Glossary.....		115
Professional Advisors Forms and Letters		119
Appendix A-1 - CTA Compliance Intake Form (For Newly Formed Entities)		119
Appendix A-2 - CTA Compliance Intake Form (For Clients With Existing Entities)		121
Appendix B-1 - CTA Draft Letter (For Clients With Newly Formed Entities)		124
Appendix B-2 - CTA Sample Letter #1 (For Clients With Existing Entities)		125
Appendix B-3 - CTA Sample Letter #2 (For Clients With Existing Entities)		126
Appendix B-4 - CTA Sample Letter to Beneficial Owners from Company		128
Appendix C - Corporate Transparency Act Intake Form		129
Appendix D-1 - Sample Letter To Client		131
Appendix D-2 - Sample Letters to Describe This To Fellow Owners And Other Responsible Persons		132
Appendix D-3 - Letter To Client With Multiple Entities		135
Appendix E - Beneficial Ownership Information (BOI) Filing Step-by-Step Instructions.....		136
Appendix F - Engagement Letter Sample.....		162
Appendix G - Sample Language to Update Business and Trust Documents		163
Appendix H – IRS Form 8832.....		164
Appendix I – Planning Chart.....		165
Appendix J - FinCEN FAQs		166