



# Richards & Partners P.A.

ATTORNEYS AT LAW

2665 SOUTH BAYSHORE DRIVE | SUITE 703 | MIAMI, FLORIDA 33133

T: (305) 858-9900 | F: (305) 285-0015

rpa@richards-law.com | www.richards-law.com

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## Re: Corporate Transparency Act

Dear Clients,

**This Client Alert applies to Clients whose structures include Corporations, Partnerships, Limited Partnerships, Limited Liability Companies, or other similar entities that are either formed in the United States, or Foreign (non-US) entities that are registered to conduct business in the United States.**

### **Background.**

The Corporate Transparency Act (“the “CTA”) was created by updates to the United States Anti-Money Laundering Act in 2020. The CTA implements new Beneficial Ownership Information reporting requirements for both: (1) entities formed in the United States and (2) Foreign Entities that are registered to conduct business in the United States (both are referred to in this Client Alert as “Relevant Entities”). Beneficial Ownership Information for Relevant Entities must be reported to the United States Financial Crimes Enforcement Network (“FinCEN”) beginning on January 1, 2024.

### **What Information Must be Reported?**

The following information must be reported to FinCEN:

- The name, birth date, address, and identification number of the “**Beneficial Owner(s)**” of a Relevant Entity; and
  - A “Beneficial Owner” is any individual who, directly or indirectly, either (1) exercises substantial control over a reporting company, or (2) owns or controls at least 25 percent of the ownership interests of a reporting company.
- The name, birth date, address, and identification number of the “**Company Applicant**” of a Relevant Entity
  - A “Company Applicant” is the individual that files the document that either (1) creates the United States entity or (2) registers a Foreign entity to conduct business in the United States.

## **Compliance**

Richards & Partners, P.A. and our various subsidiaries that provide Registered Agent services to Clients' United States entities are prepared to ensure that your entities are in compliance with the CTA's new reporting requirements. We have created additional databases and internal procedures to collect and maintain accurate Beneficial Owner Information. Due to the additional work involved in ensuring your entity/ies remain in compliance with the CTA, and the additional liability that we assume in reporting our Firm as the Company Applicant, we have increased the Entity Annual Maintenance Fee by \$250.00, which you will see reflected on relevant invoices going forward.

## **Privacy**

**The information submitted to FinCEN will remain private and will not be available to the general public. There will be no public database that the general public can search.**

The CTA, however, does authorize FinCEN to disclose Beneficial Ownership Information under specific circumstances to five general categories of recipients: (1) U.S. Federal, state, local, and Tribal government agencies requesting Beneficial Ownership Information for specified purposes; (2) foreign law enforcement agencies, judges, prosecutors, central authorities, and competent authorities (foreign requesters); (3) financial institutions ("FIs") using Beneficial Ownership Information to facilitate compliance with customer due diligence ("CDD") requirements under applicable law; (4) Federal functional regulators and other appropriate regulatory agencies acting in a supervisory capacity assessing FIs for compliance with CDD requirements; and (5) the U.S. Department of the Treasury.

Please do not hesitate to contact our office should you have any questions or desire more information on the Corporate Transparency Act and our compliance procedures. As always, we are committed to providing quality corporate and legal services to you and appreciate your business and continued support.

Sincerely,

A handwritten signature in blue ink, appearing to read 'GR', is positioned above the typed name.

Gwendolyn Richards, Esq.