

A low-angle, upward-looking perspective of several modern skyscrapers. The buildings are covered in glass and steel, with some featuring intricate, textured facades. The sky is filled with soft, white clouds. The entire image is overlaid with a uniform, deep red color, creating a dramatic and modern aesthetic.

# UNTITLED

STRATEGIC FIDUCIARY ADVICE

**CORPORATE  
TRANSPARENCY  
ACT, CTA  
FREQUENT  
QUESTIONS**

## WHAT IS 'CORPORATE TRANSPARENCY ACT'?

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It is a U.S. law enacted in 2022 that requires certain entities to report the ultimate beneficiaries of each company.

## WHO IS REQUIRED TO REPORT?

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Any company incorporated or registered in the United States, such as an LLC or a Corporation, must report its ultimate beneficiaries.

## WHAT INFORMATION MUST BE REPORTED OR PROVIDED?

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The law requires the following:

### **Company information to be reported:**

- > Date of creation.
- > State.
- > Place of business.
- > TIN (Taxpayer Identification Number).

### **Ultimate beneficiaries' information:**

- > Full name.
- > Date of birth.
- > Address.
- > ID number and photo (valid copy of passport, ID card, or U.S.-issued driver's license).
- > Percentage of ownership/control.

## ARE THERE EXCEPTIONS?

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The law establishes several exceptions, such as financial institutions and licensed entities in general, large operating companies (companies with more than 20 employees, US\$ 5 million in revenue, and presence in the USA), inactive companies, and government entities. This is because these entities are already regulated by the U.S. Securities and Exchange Commission (SEC) or similar regulatory bodies.

## WHO IS CONSIDERED AN ULTIMATE BENEFICIARY?

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The law considers an ultimate beneficiary to be someone who owns at least 25% of the ownership (shares, interests, or other voting instruments) or exercises substantial control over the company, such as Senior Officers, Presidents, CFOs, or others with the power to appoint or remove company authorities.

## ARE THERE EXCEPTIONS TO ULTIMATE BENEFICIARIES?

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Yes, the law establishes the following exceptions regarding who will be considered reportable ultimate beneficiaries:

- > **Minors:** According to each state's law, minors are not required to report as long as their parents or legal representatives are reported in their place. Once they reach the age of majority, they must be reported
- > **Nominees, intermediaries, or custodians:** Those acting on behalf of the ultimate beneficiary do not need to be reported.
- > **Employees:** As long as they are not considered Senior Officers or employees with significant control over the company.
- > **Rights in expectation:** If interests in the company will be effective in the future through inheritance, they do not need to be reported until the participation in the company becomes effective.

## WHAT ARE THE DEADLINES FOR COMPLIANCE WITH THE REPORT?

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- > If the company was incorporated or registered in the United States before January 1st, 2024, it can report the information until January 1st, 2025.
- > In the case of incorporating or registering the company after January 1st, 2024, it has 30 days to report from the incorporation or registration of the company.
- > Changes in ultimate beneficiaries or their reporting details must be reported within 30 days of the change event.

## HOW AND WITH WHOM IS THE INFORMATION SHARED?

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The information must be reported through the official Financial Crimes Enforcement Network (FinCEN) website of the United States, available from January 1st, 2024.

**The reported information will not be public or shared with other agencies.**

## WHAT SHOULD I DO?

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**It is recommended to follow these steps:**

- > Identify if your company needs to report.
- > Identify ultimate beneficiaries according to the ownership and/or control exercised over the company
- > Complete the information through the FinCEN portal personally or through your registered agent.

## ARE THERE PENALTIES FOR NOT REPORTING?

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Penalties consist of civil fines that can be applied per day (\$500 per day), criminal fines up to \$250,000, and up to 5 years in prison. In aggravated cases with additional violations, the fine can reach \$500,000, and the prison term can be up to 10 years.

## DO YOU WANT TO KNOW MORE?

IF YOU NEED ADDITIONAL INFORMATION, PLEASE CONTACT  
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