



Here's an excerpt from this new [Client Update](#): "Beginning January 1, 2024, the CTA will require most entities formed in the United States to disclose to FinCEN information describing their "beneficial owners," which include owners, officers, and control persons. The disclosed information is referred to as "beneficial ownership information" (BOI). There are 23 exemptions to the CTA's reporting requirement.

One important exemption applies to large operating companies that have more than 20 full-time employees, a physical operating presence in the United States, and more than \$5 million in gross receipts or sales in the prior year. Other key exemptions involve regulated entities such as public companies, investment advisers, venture capital fund advisers, pooled investment vehicles, tax-exempt entities, and many types of banks and financial institutions. For a broader analysis of the CTA and its exemptions, please see [our prior Update](#).

This controversial new reporting regime carries significant compliance obligations and potential civil and criminal liability implications for individuals managing companies that are required to report under the CTA."

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