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Professional Advisor Network

22nd Annual NY Trusts & Estates Conference

Thursday, April 25, 2024 | Ease Hospitality



American Heart Association.

Professional Advisor Network



JOIN NOW



*Together, we can be a relentless force
for a world of longer, healthier lives.*

Heart.org/NYJoinPAN





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ACCESS CONFERENCE MATERIALS



Ease Hospitality Complimentary WiFi

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Stress and Your Heart



RACHEL-MARIA BROWN TALASKA, MD, FACC

American Heart Association Ambassador

Chair, NYACC Diversity, Equity & Inclusion Task Force
Associate Professor of Cardiology, Zucker School of
Medicine at Hofstra/Northwell

Director, Inpatient Cardiac Services
Northwell Health-Lenox Hill Hospital NY, NY USA

Heart Disease

Definition

Disorder of the heart and blood vessels

E
X
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S

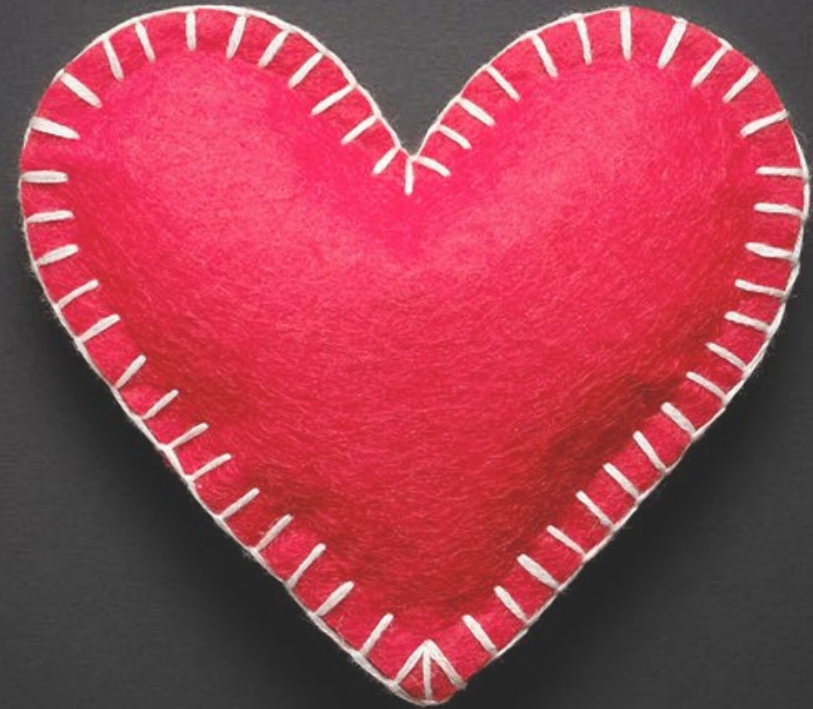
- ✓ Coronary Artery Disease (including heart attack)
- ✓ High Blood Pressure (Hypertension)
- ✓ Peripheral Artery Disease
- ✓ Cerebrovascular Disease (Stroke/TIA)
- ✓ Congestive Heart Failure
- ✓ Valve Disease
- ✓ Arrhythmias

What Modifiable Factors Increase Your Risk?

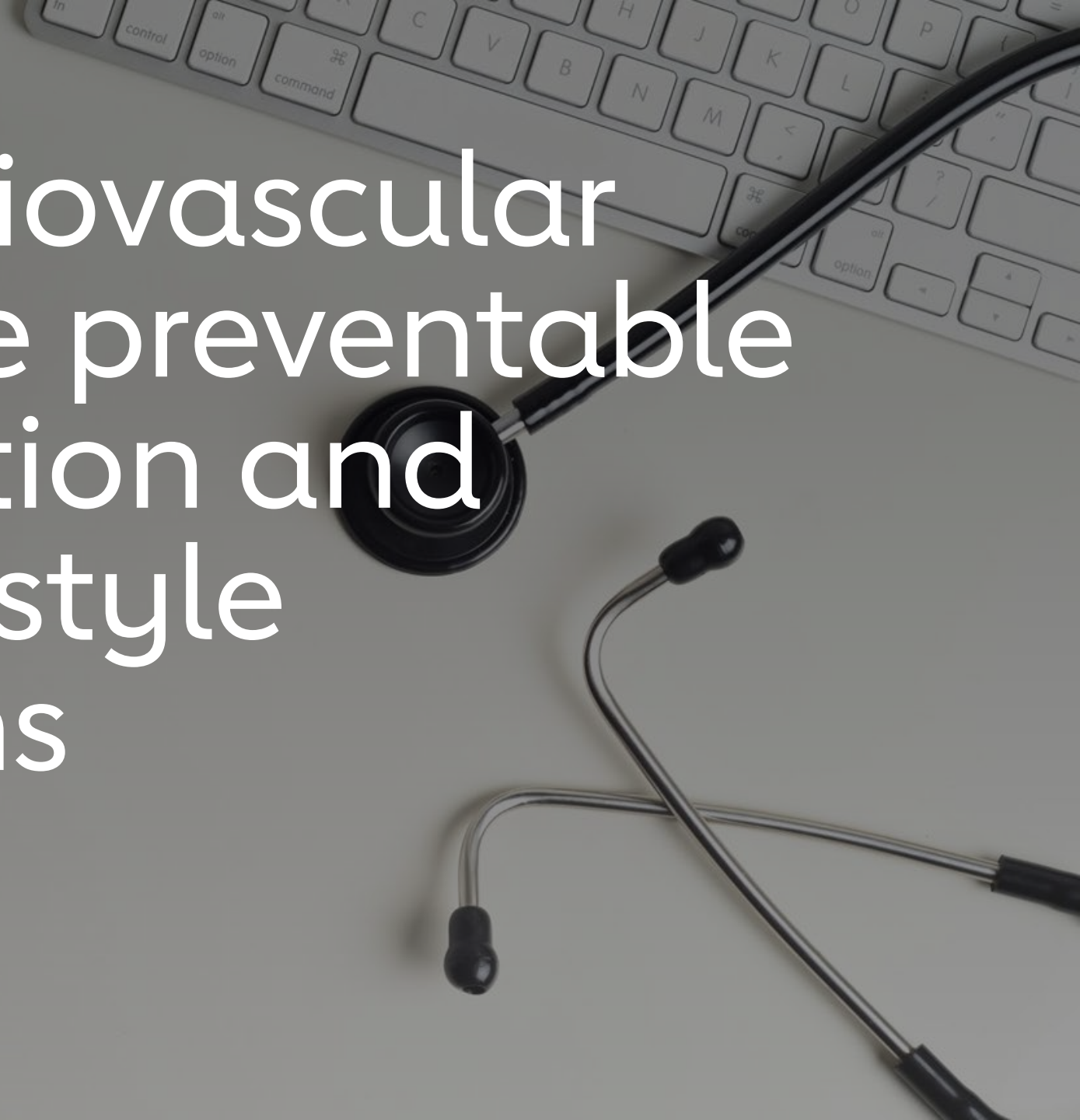


*BMI = weight in kg/height in m²

**What
Can
I Do?**



80% of cardiovascular diseases are preventable with education and healthy lifestyle interventions



AHA Life's Essential 8



American Heart Association
Healthy for Good

Life's Essential 8



Improving and maintaining cardiovascular health, or CVH, can help you enjoy a longer, healthier life. Better CVH also has been associated with decreased risk for heart disease, stroke, cancer, dementia and other major health problems.

Life's Essential 8 outlines a few easy steps you can take to live a healthier lifestyle.



✓ EAT BETTER

Aim for an overall healthy eating pattern that includes whole foods, lots of fruits and vegetables, lean protein, nuts, seeds and cooking in non-tropical oils such as olive and canola.



✓ BE MORE ACTIVE

Adults should participate in 150 minutes of moderate or 75 minutes of vigorous physical activity. Walking is great for moderate levels of activity. Kids should have 60 minutes every day, including play and structured activities.



✓ QUIT TOBACCO

Use of inhaled nicotine delivery products, which includes traditional cigarettes, e-cigarettes and vaping, is the leading cause of preventable death in the U.S., including about a third of all deaths from heart disease. And about a third of U.S. children ages 3-11 are exposed to secondhand smoke or vaping.



✓ GET HEALTHY SLEEP

Getting a good night's sleep every night is vital to cardiovascular health. Adults should aim for an average of 7-9 hours, and babies and kids need more depending on their age. Too little or too much sleep is associated with heart disease, studies show.

✓ MANAGE WEIGHT

Achieving and maintaining a healthy weight has many benefits. Body mass index (BMI), a numerical value of your weight in relation to your height, is a useful gauge. Optimal BMI for most adults ranges from 18.5 to less than 25. You can calculate it online or consult a health care professional.

✓ CONTROL CHOLESTEROL

High levels of non-HDL, or "bad," cholesterol can lead to heart disease. Your health care professional can consider non-HDL cholesterol as the preferred number to monitor, rather than total cholesterol, because it can be measured without fasting beforehand and is reliably calculated among all people.

✓ MANAGE BLOOD SUGAR

Most of the food we eat is turned into glucose (or blood sugar) that our bodies use as energy. Over time, high levels of blood sugar can damage your heart, kidneys, eyes and nerves. As part of testing, monitoring hemoglobin A1c can better reflect long-term control in people with diabetes or prediabetes.

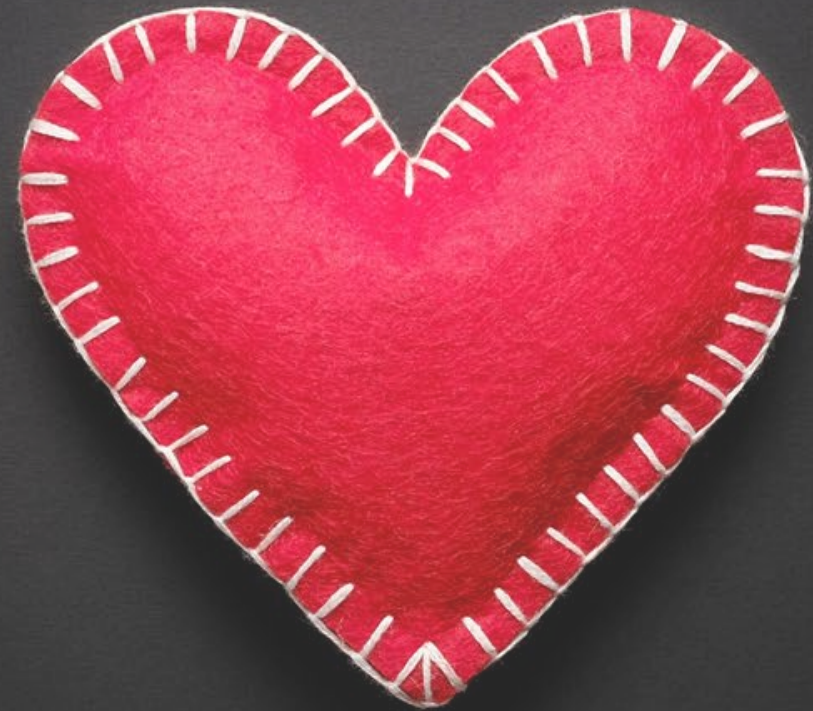
✓ MANAGE BLOOD PRESSURE

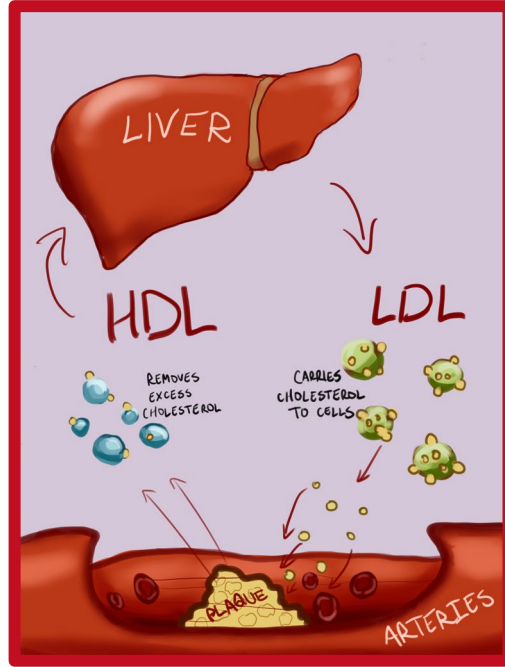
Keeping your blood pressure within acceptable ranges can keep you healthier longer. Levels less than 120/80 mm Hg are optimal. High blood pressure is defined as 130-139 mm Hg systolic pressure (the top number in a reading) or 80-89 mm Hg diastolic pressure (bottom number).



Learn more at heart.org/life8

**Know and
Control
Your
Numbers**

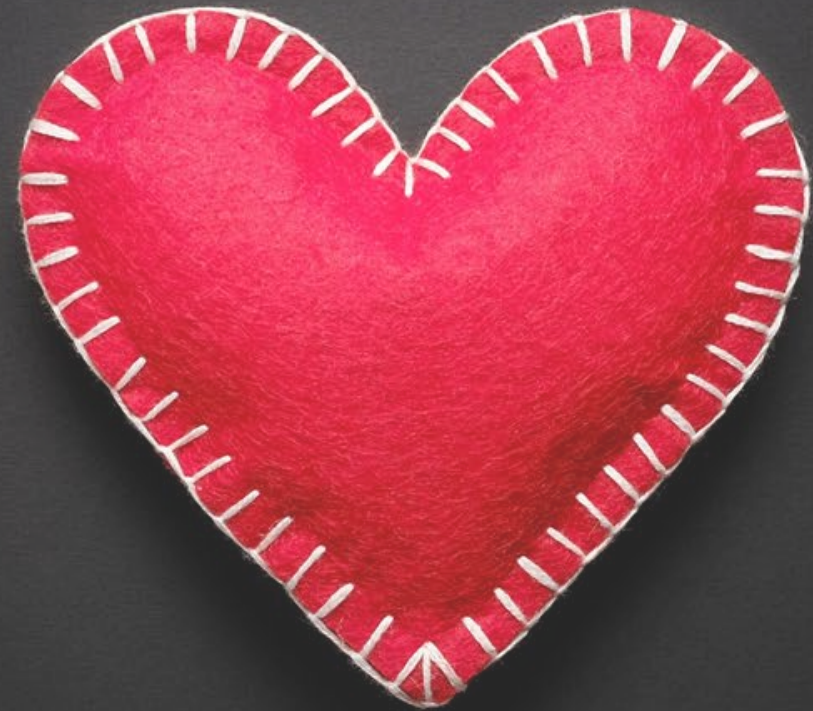




What Numbers to Know and Control?

- ✓ Maintain Healthy Weight
- ✓ Control Blood Cholesterol
- ✓ Control Blood Sugar
- ✓ Control Blood Pressure

Manage Stress



Impacts of Stress

Stress affects physical and mental health

Increases risk of heart disease, heart attack and stroke

Exacerbates anxiety and depression

Physical manifestations of stress:

- Higher blood sugar levels
- Increased stress hormone levels, cortisol levels
- Digestive disruption
- Headache
- Sleep disruption
- Weight gain
- High blood pressure
- Trouble with memory and concentration

**Eliminate
Toxic
Excesses:

We often
reach for
these vices
when
stressed**



Smoking



Alcohol



Social Media



Screen Time

Address Stress's Impact on Sleep

- Poor sleep increases risk of
 - Cardiovascular disease
 - Dementia
 - Depression
 - High blood pressure
 - High blood sugar
 - High cholesterol
 - Obesity
- Test for sleep apnea
- Improve sleep hygiene
- Aim for 7-9 hours/night

- ✓ **HEALING** and repair of cells, tissues and blood vessels
- ✓ **STRONGER** immune system
- ✓ **IMPROVED** mood and energy
- ✓ **BETTER BRAIN FUNCTION** including alertness, decision-making, focus, learning, memory, reasoning and problem-solving
- ✓ **LESS RISK** of chronic disease

Movement Combats Stress

➤ Aim >150min/week of moderate aerobic activity

OR

➤ >75min/week of vigorous aerobic activity

➤ Set goals

➤ Find your why

➤ Develop healthy habits

BE STRONG

Include muscle-strengthening activity (like resistance or weight training) at least twice a week.

ADD INTENSITY

Increase time, distance, amount or effort for more benefits.

SIT LESS

Get up and move throughout the day.

Mindfulness Combats Stress

- Address mental health needs
- Seek help early
- Engage with social support
- Practice mindfulness via
 - Meditation
 - Prayer
 - Yoga
 - Positive Affirmation Recitation

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A solid red vertical bar is positioned on the left side of the image, extending from the top to the bottom.

THANK YOU



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Mitigating Fiduciary Risk and Litigation



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Partner

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15 Minute Coffee Break



**Please visit our sponsors
and exhibitors while
re-filling your cup.**

Back in 15 minutes!



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HEART-SAFE --- OFFICES

April 25, 2024



OVERVIEW

01

Why Learn CPR?

02

Heart-Safe Spaces

03

Our Mission

04

One Act of Kindness

05

Emergency Planning

06

Action Steps



DO YOU KNOW CPR?







WHAT IS THE AVERAGE RESPONSE TIME FOR EMERGENCY SERVICES TO ARRIVE?



THE STATISTICS

ON CARDIAC EMERGENCIES

- 436,000 Americans die from cardiac arrest annually
- Over 350,000 cardiac arrests occur outside hospitals each year
- The survival rate for cardiac arrests outside hospitals is roughly 10%
- Immediate bystander CPR can double the chance of survival



CPR IS AN ACT OF

1. PREPARATION

2. KINDNESS

3. LIFE-SAVING





WHAT ARE *HEART-SAFE* SPACES?

Prehospital Life Support

CPR & AED TRAINING

PUBLIC PLACEMENT OF AEDS

DESIGNATED FIRST RESPONDER

The Chain of Survival

EARLY IDENTIFICATION

EARLY HIGH-QUALITY CPR

DEFIBRILLATION

ADVANCED CARE

POST CARDIAC ARREST CARE

RECOVERY

EMERGENCY ACTION PLAN

It is crucial for your office to have an emergency plan and follow a set number of steps.

- 01 Recognize an Emergency Cardiac Event and know where your AED is located
- 02 Make sure the scene is safe; call 9-1-1 and do not hang-up until the dispatcher instructs you to
- 03 Check the victim if they are breathing and start compressions and emergency interventions early
- 04 Communicate with those in your office before, during, and after an emergency situation



WHAT YOU CAN DO TODAY

1

SIGN-UP FOR A CPR, AED,
CHOKING TRAINING
CLASS

ESTABLISH AN EMERGENCY
ACTION PLAN

2

3

REGISTER FOR THE 2024 WALL
STREET RUN & HEART WALK

DONATE TO OUR TEAM PAGE WHICH
WILL GO TO **FREE CPR CLASSES**

4

5

REMEMBER WHY YOU SHOWED UP
TODAY AND HOW YOU CAN SHOW
UP IN A GREATER WAY TOMORROW

THE 2024 WALL STREET RUN & HEART WALK



WHEN?

MAY 16TH 2024



WHERE?

BROOKFIELD PLACE
200 VESEY STREET



WHY?

CONTINUING
SARAH'S LEGACY

**JOIN OR
SUPPORT
OUR TEAM
AND
CPR CLASS**



WHO TO CONTACT



EVAN
SHIRE

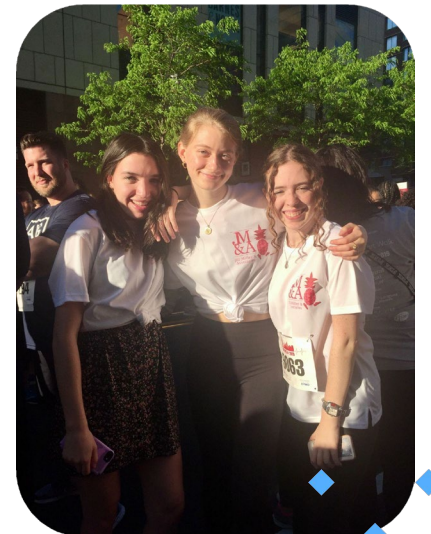
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The Estate Planner's Guide to Corporate Transparency Act



MITCHELL A. DROSSMAN

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Corporate Transparency Act

Developments	Date
Public Law No.: 116-283 (HR 6395) William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021	January 1, 2021
Advanced notice of proposed rulemaking (“ANPRM”) requesting public comment on numerous questions relevant to the implementation of the CTA	April 5, 2021
Notice of Proposed Rulemaking (NPRM) issued by the Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN)	December 8, 2021
Public comments due	February 7, 2022
Issuance of <u>FINAL</u> Beneficial Ownership Information (BOI) Rules/Regulations	September 30, 2022 Effective Jan. 1, 2024

Corporate Transparency Act

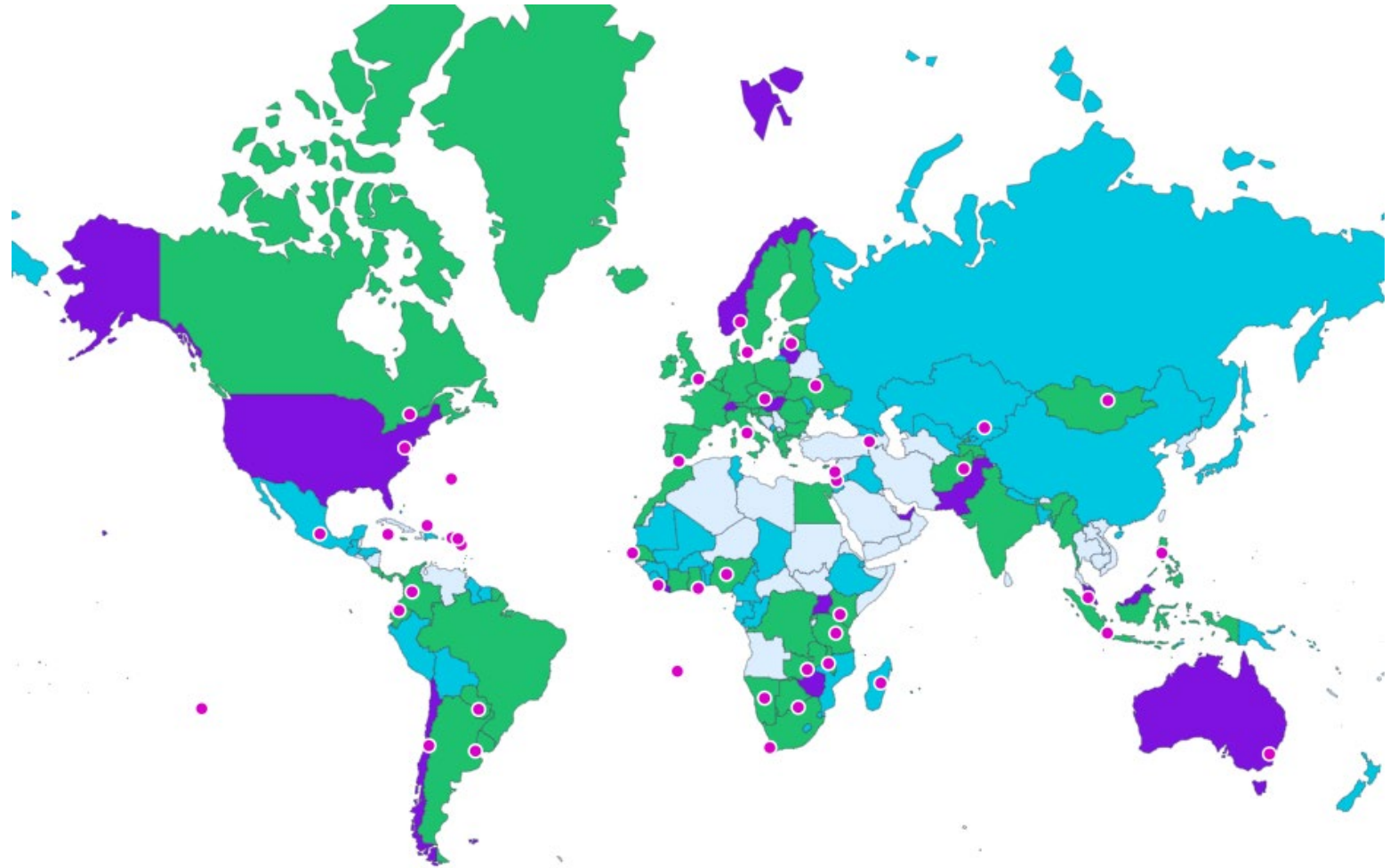
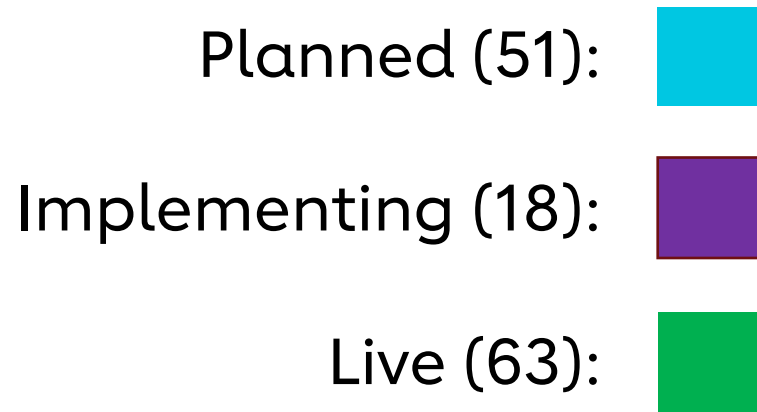
Developments	Date
Notice of Proposed Rulemaking (NPRM) issued by FinCEN on Access to Beneficial Ownership Information and Safeguards	December 16, 2022
Issuance of <u>FINAL RULE</u> on Access to Beneficial Ownership Information and Safeguards	December 21, 2023 Effective February 20, 2024
BOI Reporting Form – Request for public comment on application to collect information for seeking reporting BOI information	January 17, 2023
FinCEN Identifier – Request for public comment on application to collect information for seeking a FinCen Identifier	January 17, 2023

Corporate Transparency Act

Developments	Date
Notice of Proposed Rulemaking (NPRM) issued by FinCEN on Extended Reporting Deadline (extend from 30 to 90 days BOI reporting for RC formed in 2024)	September 28, 2023 (final: Nov 30, 2023)
Notice of Information Collection issued by FinCEN on FinCEN Identifiers - Public comments due October 30, 2023	September 29, 2023
CDD Rules/Regulations	Expected by Dec. 31, 2024
Effective date of Customer Due Diligence (CDD) Rules	TBD
FinCEN Oversight and Accountability Act of 2023	Sept. 2023 -- Pending: Passed House Fin Services Committee
The Protect Small Businesses and Prevent Illicit Financial Activity Act of 2023 (deferred filing date)	Passed House (12/12/23, 420-1); delivered to Senate
Letter to Treasury from 80 members of Congress	Dec. 18, 2023: Request for 1 Year Deferral

Corporate Transparency Act

Countries committed to beneficial ownership transparency:



Corporate Transparency Act

U.S. following the lead of over 60 countries that require transparency regarding ownership of entities

- Over 100 countries have committed to implementing beneficial ownership transparency reform.
- Some countries have a public database.
- Some countries require more detailed / onerous disclosure.

CTA: Constitutional Issues

Nat'l Small Bus. United v. Yellen,
US District Ct (Nov. 15, 2022, N. Dist. of
Alabama) –
NSBU argues

- Congress lacks power under Constitution to enact CTA;
- violates privacy rights under 1st, 4th, 5th and 9th Amendments; violates due process because too vague.
- CTA is not a rational means to achieve its stated goals.

HELD: CTA is unconstitutional (Mar. 1, 2024). Will comply with holding for plaintiffs, but for other individuals and entities, FinCEN will continue to implement the CTA.

Boyle v. Yellen, US District Court (March 15, 2024, Maine) –

Boyle argues

- Unconstitutional usurpation of states' power to regulate entity formation;
- violates 9th and 10th Amendments;

Gargas v. Yellen, US District Court (Dec. 2023, N.D. Ohio) –

Gargas seeks

- Injunctive and declaratory relief

Small Business Assoc. of Michigan v. Yellen, US District Court (March 26, 2024, W.D. Mich) –

- CTA exceeds Congress's enumerated constitutional powers since corporate formation is not a commercial act

Corporate Transparency Act

Other Disclosure Rules: FinCEN Geographic Targeting Orders (involving real estate transactions)

Title companies must disclose information about ownership of legal-entity purchases of residential real estate at or above specified thresholds made without a bank loan or similar external financing

- Residential real property (1 – 4 families)
- GTOs last 180 days (Oct 22 to April 18, 2024)
- Information relates to the natural persons behind certain legal entities
- Threshold: \$300,000 (\$50k in Baltimore)
- Targeted Areas: various counties in FL, CA, NY, CO, MA, WA, IL NV, CT, MD, etc.
- Must disclose: info on entity (i.e., Corp, LLC, P-ship); identity of person representing entity, and beneficial owners (of 25% or more of equity interest), etc.

FinCEN: Notice of Proposed Rulemaking (February 7, 2024): Proposed rule would require certain professionals involved in residential real estate closings and settlements to report information to FinCEN about non-financed transfers of residential real estate to legal entities or trusts.

Corporate Transparency Act

CTA added section, 31 U.S.C. 5336 (Bank Secrecy Act)

- CTA requires certain types of domestic and foreign entities, called “reporting companies,” (RC) to submit specified Beneficial Ownership Information (BOI) to FinCEN. FinCEN is authorized to share this BOI with certain Government agencies, financial institutions, and regulators, subject to appropriate protocols

Corporate Transparency Act

CTA requires certain types of domestic and foreign entities, called “reporting companies,” to submit specified Beneficial Ownership Information (BOI) to FinCEN.

What types of entities?

Are there exemptions?

Why is this required?

What specified information?

Who is a Beneficial Owner?

What if info. changes?

When must it be submitted?

What happens if not submitted?

Where is the information submitted?

Who has access to the information?

Who will file information?

How is it filed?

CTA: What Types of Entities?

- Domestic entities created by filing of a document with a secretary of state or similar office (e.g., Corp., LLC, LLP, LP, statutory trusts, MA trusts)
 - Rules did not expand this to include personal trusts
 - But if a trust owns an interest in a RC, BOI could be required
- Foreign companies formed under law of a foreign jurisdiction that register to do business in the US
 - Foreign sole proprietor?

Are there exemptions?

CTA: Exempt Entities

Exemption No.	Exemption Short Title
1	Securities reporting issuer
2	Governmental authority
3	Bank
4	Credit union
5	Depository institution holding company
6	Money services business
7	Broker or dealer in securities
8	Securities exchange or clearing agency
9	Other Exchange Act registered entity
10	Investment company or investment adviser
11	Venture capital fund adviser
12	Insurance company
13	State-licensed insurance producer
14	Commodity Exchange Act registered entity
15	Accounting firm
16	Public utility
17	Financial market utility
18	Pooled investment vehicle
19	Tax-exempt entity
20	Entity assisting a tax-exempt entity
21	Large operating company
22	Subsidiary of certain exempt entities
23	Inactive entity

Source: FinCEN
Beneficial
Ownership
Information
Reporting FAQs
(November 16, 2023)

CTA: What Types of Entities?

Are there exemptions?

--**23 enumerated exemptions to RCs** (FinCEN has authority to add exemptions - none added in the final rules)

- **Large operating company** – (1) more than 20 full-time employees in the US, (2) filed Federal return showing over \$5MM gross receipts/sales (US source income) and (3) actual physical office (not a residence /not shared space) in the US.
- **Private Trust Company** – Bank exception includes a trust company supervised and examined by state bank regulators (registered trust companies)
- **Subsidiaries** of certain exempt entities: whose ownership interests are controlled or wholly owned, directly or indirectly, by one or more certain exempted entities
- **Tax-exempt entities:** organization described in IRC 501(c); trust described in IRC 4947(a)(1) [fully charitable trusts] and (2) [split-interest trusts].
- **Inactive entities** (that meet specified criteria)

What/Who is a Beneficial Owner?

An individual who (i) directly or indirectly exercises substantial control over the reporting entity, or (ii) owns (individually or jointly) or controls at least 25% of the entity.

Substantial Control

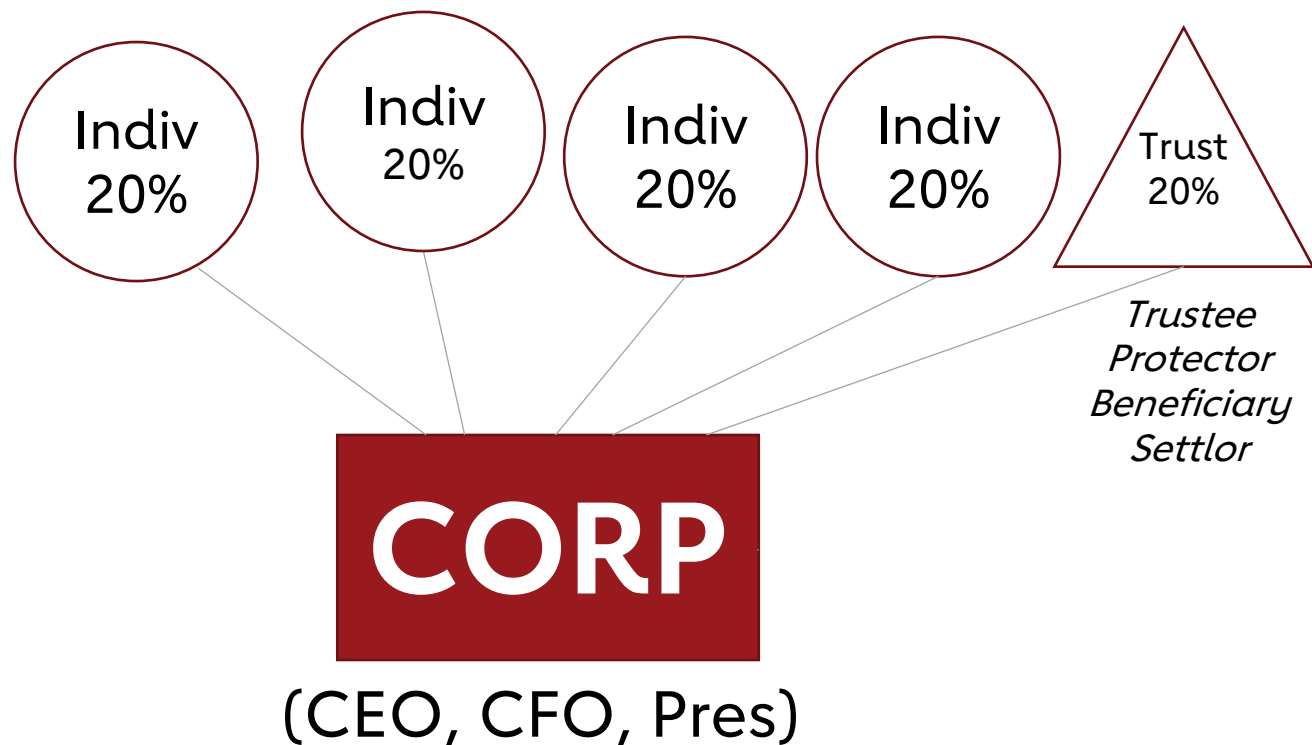
- Includes (1) serving as a senior officer (e.g., president, CFO, general counsel, CEO and COO, but not a corp. secretary and treasurer), of RC, (2) authority over the appointment or removal of a senior officer or majority of the board and (3) the ability to direct or influence important decisions of the RC)

Ownership Interest

- Includes equity and convertible (debt) instruments, such as warrants, rights and options. Ownership (or control) can be by way of an individual's position as a grantor or settlor, a beneficiary, a trustee or by authority to dispose of trust assets

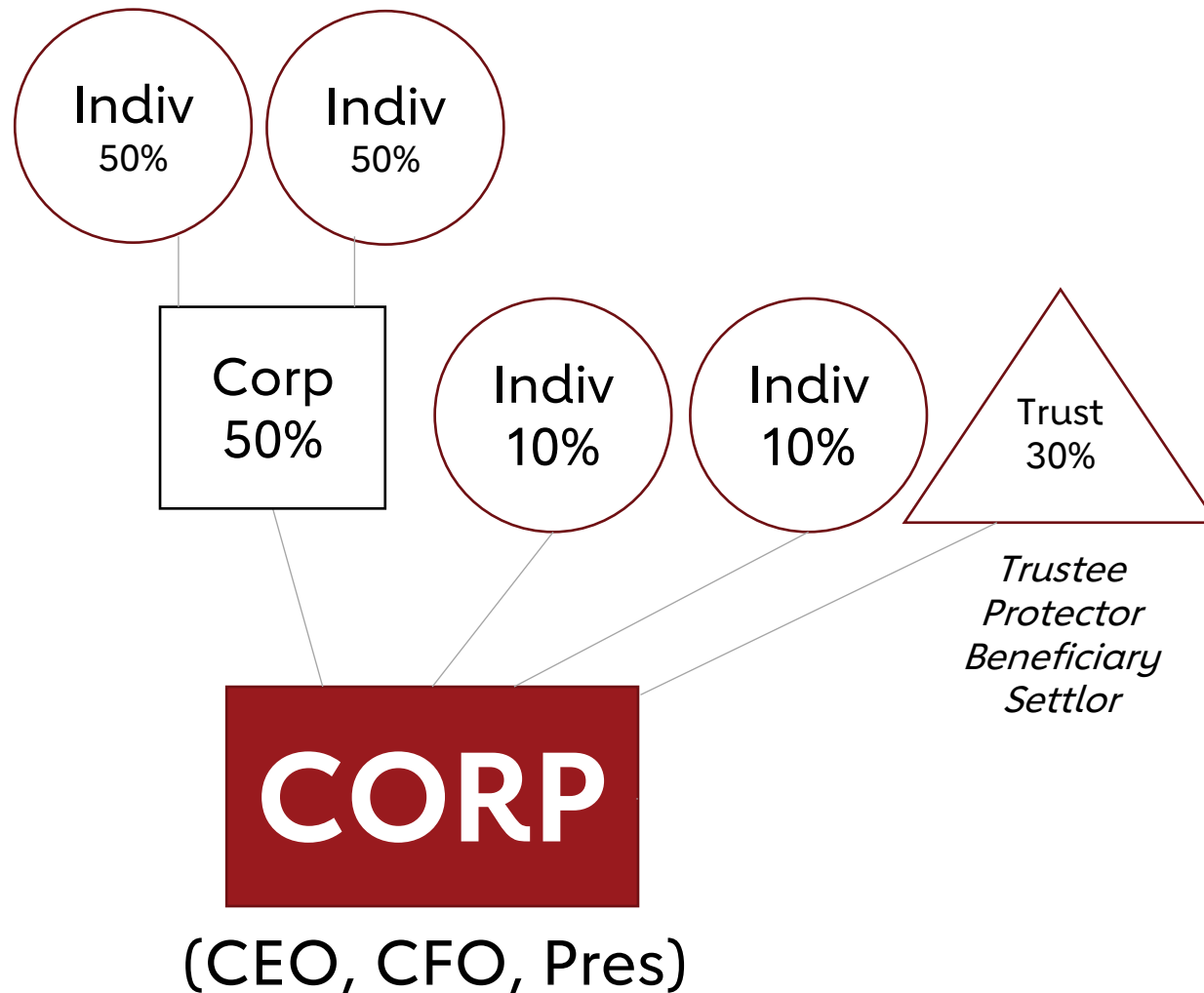
NOTE: It is possible to have no individual with a 25% or greater ownership interest, but it is not possible to have no one with substantial control of a reporting company

Corporate Transparency Act



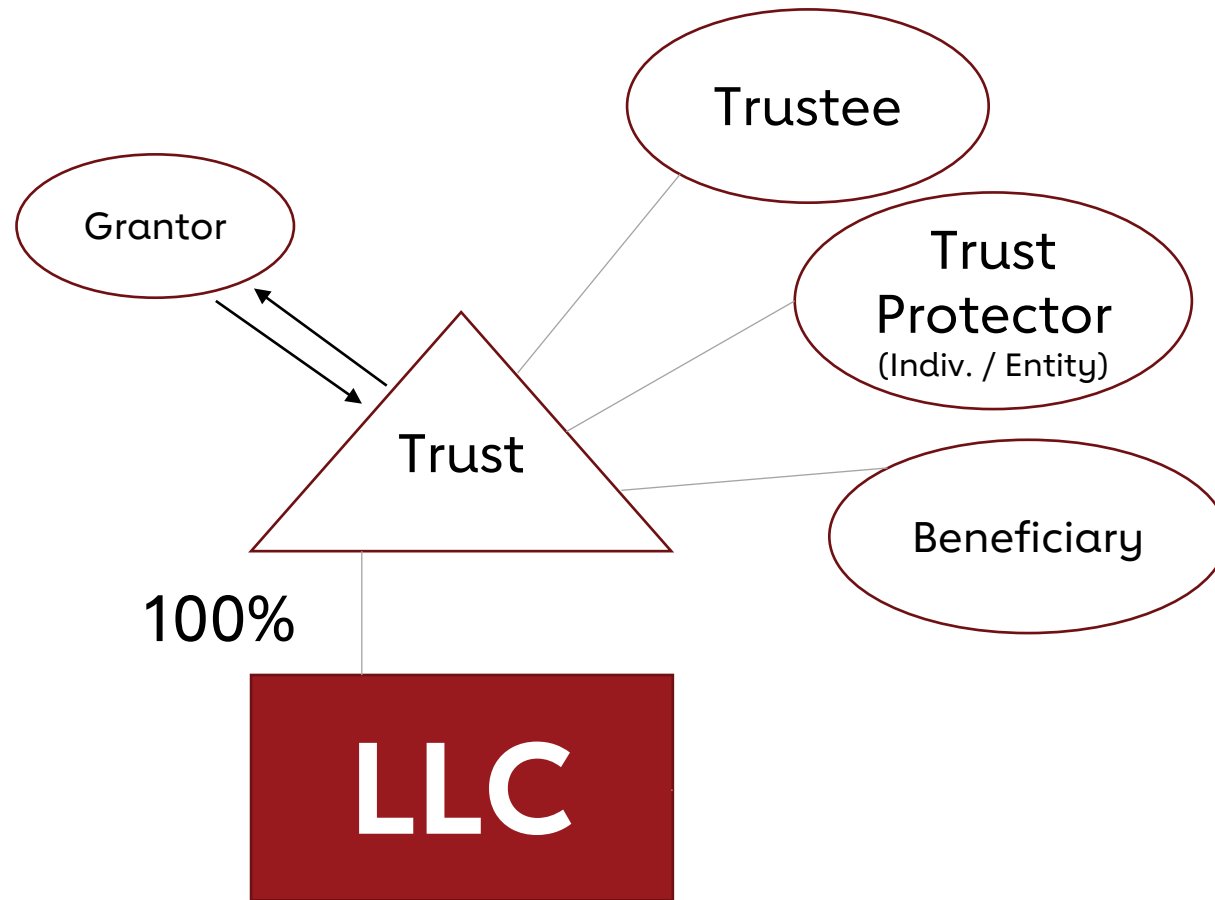
- Is the Corp. exempt?
- Shareholders?
- CEO, CFO, Pres
- Board of Directors
- Does shareholder live in a Community Property State (AZ, CA, ID, TX, LA, NM, NV WA, WI)?

Corporate Transparency Act



- Is the Corp. exempt?
- Shareholders?
- Trust
- Who owns or controls Trust?
- CEO, CFO, Pres
- Board of Directors

Corporate Transparency Act



X is Manager of LLC

Y is Partnership Representative (tax mattes partner)

- Trust?
- LLC?
- Trustee, Protector?
- Beneficiary?
- Manager of LLC?
- Partnership (tax) Representative

What/Who is a Beneficial Owner: Trusts

Trusts: While trusts are generally not a Reporting Company, ownership or control of at least 25% of a Reporting Company by a trust could make the settlor, trustee, beneficiary or another person a “beneficial owner.”

- **Beneficiary:** Sole permissible recipient of both income and principal from the trust, or individual with right to demand a distribution of, or withdraw substantially all of the assets from, the trust.
- **Trustees or other individuals:** Authority to dispose of trust assets, such as trustees, would also be considered as controlling the ownership interests held in trust.
- **Grantors or settlors:** Retained the right to revoke the trust, or to otherwise withdraw the assets of the trust (e.g., Revocable Trust).

- Lifetime LPOA
- Testamentary LPOA
- Crummey Power
- Swap Power
- Silent Trusts
- Directed Trust

Extensive comments submitted to FinCEN, but final rule mirrored the proposed rule. CTA approach departs from Customer Due Diligence rules, which generally consider assets held in a trust as deemed to be owned by the trustee.

What/Who is a Beneficial Owner: Trusts

Trusts: Further study will be given to determine if trusts should be included within the definition of “reporting company.”

January 1, 2026: CTA directs a study to be conducted (and a report submitted to Congress) by this date evaluating whether:

- The lack of available BOI for trusts raises concerns about the involvement of those entities in terrorism, money laundering, tax evasion, securities fraud, or other misconduct, and
- The failure of the United States to require BOI for trusts formed or registered in the U.S. has elicited international criticism (and steps, if any, U.S. has taken, planning, or should take in response to such criticism).

Note: European Union requires beneficial ownership reporting for trusts in accordance with its 5th Directive on Anti-Money Laundering

CTA: WHAT TO REPORT?

Reporting Company (RC)

1. Full legal name and DBA name
2. Principal place of business (street) address
3. State/Jurisdiction of formation
4. TIN or EIN (issued by IRS, or, if none, by foreign jurisdiction)

Beneficial Owner (BO)

1. Full legal name
2. Date of birth
3. Current residential address
4. Unique identifying number from (*unexpired* US Passport, License, State ID)
5. Image of such document with individual's picture

Company Applicant (CA)

1. Same as Beneficial Owner, plus
2. If CA provides a business service as a corporate or formation agent, then supply the business address. For all other CAs, supply residential street address.

Note: CA information not required for RCs created/ registered before January 1, 2024

CTA: WHEN TO REPORT (Final Rule)

Effective Date of Regs.			
Existing entities	← January 1, 2024 →	New entities	New entities
Created or registered to do business in US before January 1, 2024		Created or registered to do business in US on or after <u>Jan. 1, 2024</u> & <u>before Jan. 1, 2025</u>	Created or registered to do business in US on or after <u>Jan. 1, 2025</u>
File: no later than 1 year after effective date (Jan. 1, 2025)		File: no later than <u>90 calendar days</u> after RC is created or registered to do business in US.	File: no later than <u>30 calendar days</u> after RC is created or registered to do business in US.

No due date extension authorized under FinCEN rules

CTA: WHEN TO REPORT (Final Rule)

Existing entities

- Reporting companies (RC) formed or registered before Jan. 1, 2024; file report no later than Jan 1, 2025.

New entities

- 2024: Entities formed or registered on or after Jan. 1, 2024 and before Jan. 1, 2025: file no later than 90 calendar days after trigger date (earlier of (i) date RC received actual notice formation is effective or (ii) date secretary of state provides public notice of creation).
- 2025+ Entities formed or registered on or after Jan. 1, 2025: file no later than 30 calendar days after trigger date.

Corporate Transparency Act: REPORTING

Triggering Events	
Existing entities	One time
Creation of new entities	One time
Updating Reports	Periodic
Correcting Reports	Periodic
Loss of exemption	Periodic

CTA: JUST THE FACTS

Initial Reporting Company Reports – Year 1 Estimates

Complexity of Filing	Number of Reports	Reporting Burden (minutes)
Simple (59.0%)	19,208,630	90
Intermediate (36.1%)	11,753,077	370
Complex (4.9%)	1,595,293	650

Number of Initial RC Reports	
Year 1	Year 2
32,557,000	4,998,000

CTA: WHEN TO REPORT (Final Rule)

Updated Reporting

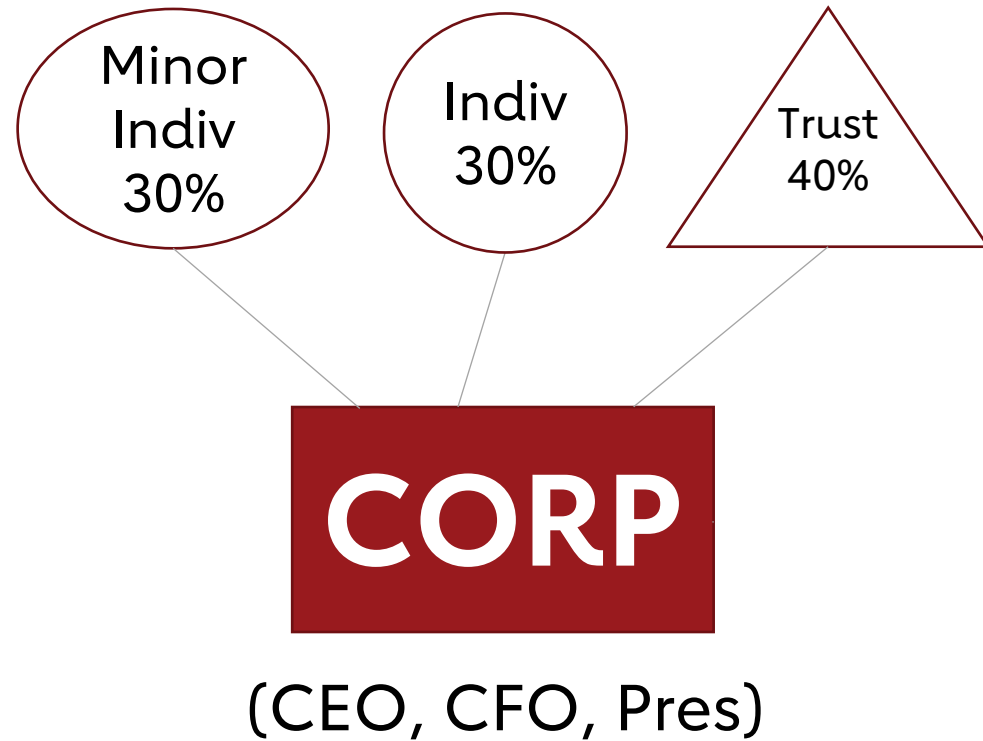
- Change in any BOI information (e.g., sale/gift of equity interest, admission of a new member, change of address): RC required to update reporting within 30 calendar days of change
 - **Special rule:** death of Beneficial Owner owning 25% or more of RC. Change in information deemed to occur when the estate of the deceased owner is settled (i.e. through operation of intestacy laws or a testamentary distribution).

Incorrect Reporting

- If incorrect information previously reported (at the time of filing), RC has 30 calendar days from the date it knew, or should have known, that the information was inaccurate, to file updated report

Note: (i) change in CA info. does not require updated reporting, (ii) newly exempt does

Corporate Transparency Act



- Is Minor exempt?
- When Minor turns age 18, 19, 21?
- Individual's driver's license expires and is renewed?
- FinCEN Identifier
- What happens if Corp grows in revenue and employees?
- What happens if Individual gifts or sells ownership to another person? Two others? Foreign Persons?

CTA: WHERE TO REPORT

Send it to the BOSS

- FinCEN is developing an electronic (online) filing system for BOI: the Beneficial Ownership Secure System (BOSS)
 - System will be on FinCEN's website
- Strict security and confidentiality requirements for storage and access
- No fee for submitting BOI reports to FinCEN

CTA: On-line Reporting

51 separate fields for data entry

- (Address would be 5 fields: Address, City, State, Country, Zip)

Organized in 4 Parts

- Part 1: Filing Information (what kind of report)
- Part 2: RC information
- Part 3: Applicant information
- Part 4: Beneficial Owner information

CTA: FinCEN Identifier

- Individuals: Individuals must file Identifier applications electronically with FinCEN (on or after Jan. 1, 2024) with appropriate personal information (updates to such information must also be filed). Number immediately given. Can you deactivate number?
- Entities: RCs will not use the FinCEN identifier application to request a FinCEN identifier; instead, RC will request a FinCEN identifier when they submit a BOI report (rules are still proposed for entities).

- ✓ FinCEN expects individuals applying will be “relatively low.” (325,000 in first yr.)
- ✓ Proposed application contains 18 data fields.
- ✓ Application and filing projected to take about 20 minutes.

(FinCEN Sept. 29, 2023 Notice and request for comments)

CTA: Who has Access to BOI Information?

(Final Dec. 2023)

Disclosure to 6 Categories of Recipients:

1. U.S. Federal Agencies -- federal agencies engaged in national security , intelligence or law enforcement.
2. State, local and Tribal law enforcement agencies - Can disclose if a court authorized.
3. Foreign law enforcement agencies - Requests must come thru a federal agency and meet other criteria
4. Financial Institutions (FI) using BOI to facilitate compliance with CDD requirements, provided the FI requesting the BOI has the relevant reporting company's consent for such disclosure.
 1. Disclosure will be more limited in this area –just a transcript for the particular RC.
 2. RC must confirm consent
5. Federal regulators supervising FI in assessing compliance with CDD requirements.
6. US Department of the Treasury for tax administration and other purposes.

CTA: Who Will *File* Report?

The fundamental issue is who is going to prepare the filings?

Are law firms
set up for
compliance?

Atty?

Will CPA firms have
all the details?
Unauthorized
practice of law?

CPA?

Will Attys/CPAs be afraid
of penalties, as well as
reputational issues?

RC?

We know only RCs are
required to file reports
with FinCEN.

CTA: Penalties

Unlawful for any person to: (1) willfully provide false or fraudulent beneficial ownership information, or (2) willfully fail to report, complete or update beneficial ownership information.

- “Person” includes any individual, reporting company, or other entity.
- A person provides or attempts to provide beneficial ownership information to FinCEN if such person does so directly or indirectly, including by providing such information to another person for purposes of a report or application under this section.

NOTE: No penalties for non-willful violations or negligence pursuant to rules and published guidance

CTA: Penalties

Penalties* for violating:

- **Civil penalties:** up to \$500 per day (*\$591 Inflation adj*)
- **Criminal penalties:** up to \$10,000 per day AND imprisonment for up to 2 years

Penalty may be avoided if person voluntarily files corrected report within 90 days after submitting original erroneous report

* Penalties for violating CTA (31 USC §5336(h) and Prop. 31 CFR Part 1010.380(g))

Corporate Transparency Act: CDD Rules

CTA also requires that FinCEN rescind and revise portions of the Part 1010 Customer Due Diligence (CDD) rule within one year after the effective date of the BOI reporting rule. The CTA does not direct FinCEN to rescind the requirement for financial institutions to identify and verify the beneficial owners of legal entity customers under 31 CFR 1010.230(a), but does direct FinCEN to rescind the beneficial ownership identification and verification requirements of 31 CFR 1010.230(b)–(j).

Purpose for this revision:

1. To bring the rule into conformity with the AML (Anti-Money Laundering) Act as a whole, including the CTA;
2. To account for financial institutions' access to BO information reported to FinCEN "in order to confirm the beneficial ownership information provided directly to the financial institutions" for AML/CFT and customer due diligence purposes; and
3. To reduce unnecessary or duplicative burdens on financial institutions and legal entity customers.

FinCEN intends to satisfy the CDD Rule revisions through a future rulemaking process that will provide the public with an opportunity to comment on the effect of the final provisions of the beneficial ownership reporting rule on financial institutions' customer due diligence obligations.

Corporate Transparency Act: Outreach

FinCEN will develop compliance and guidance documents to assist reporting companies in complying with this rule.

- **For Reporting Companies:**

- FinCEN will issue a Small Entity Compliance Guide, pursuant to section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996, in order to inform small entities about their responsibilities under the CTA.

- **For States:**

- Other materials will be aimed at a wide range of stakeholders that are likely to receive questions about the rule, such as secretaries of state and similar offices.

- **Outreach:**

- FinCEN also intends to conduct extensive outreach to all stakeholders, including industry associations as well as secretaries of state and similar offices to ensure the effective implementation of the CTA.

Corporate Transparency Act: Resources

- Dedicated BOI Website from FinCEN
- Publications:
 - Small Entity Compliance Guide (11 languages). - walks small businesses through the requirements in plain language. Guide to serve as a primary resource for mom-and-pop shops, providing clarity on their reporting obligations and explanations on how to file their beneficial ownership information.
- Dedicated BOI webpage also contains information and guidance documents, including:
 - The Small Entity Compliance Guide
 - Frequently Asked Questions (FAQs) - FAQs (and answers) will be available in multiple languages. Based on the questions received through the Regulatory Helpline. FinCEN will issue additional FAQs on a rolling basis.
- Introductory brochure, which can be printed, folded, and distributed to small businesses.
- Introductory videos
- FinCEN's general Regulatory Helpline has been fielding questions since the CTA was enacted. Planning on setting up a dedicated BOI Hotline and Chatbox (expected December 2023).
- Planning webinars (Dec 2023) and additional outreach to a variety of State, local, and Tribal government stakeholders that regularly interact with the public, such as governors, mayors, and State financial institution supervisors.

Corporate Transparency Act

Questions?





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EVALUATION FORM

We also ask that you please complete your evaluation and hand it in.

We value your thoughts!

****ALL FORMS ARE LOCATED AT THE TABLE****