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## GENERAL MEMORANDUM 23-011

### The Corporate Transparency Act and its Impact on Indian Country

In 2021, the Corporate Transparency Act (“Act”) was enacted into law, and is due to take effect on January 1, 2024.<sup>1</sup> The Act requires every existing, amended or new corporation, or limited liability company, including those owned by Tribes, to file required reporting information with the Financial Crimes Enforcement Network (FinCEN). Though, Tribal entities are exempted if they exercise governmental authority on behalf of the Tribe.

The Act creates a national registry of business owners. The information gathered will include the business name, address, state of formation, EIN, as well as the birth date, address, and government issued phone ID of every direct or indirect owner.<sup>2</sup> The purpose of obtaining this information is “better enable critical national security, intelligence, and law enforcement efforts to counter money laundering, the financing of terrorism, and other illicit activity.”<sup>3</sup>

Corporations, limited liability companies, or similar entities registered with a Secretary of State or a Tribe will be required to comply, unless covered by an exception. The list of exceptions includes: regulated companies (such as banks), companies with more than 20 employees and more than \$5 million in annual revenue (casinos), non-active business, and Tribal entities exercising governmental authority.<sup>4</sup> The Act provides no further guidance on what it means for a business to exercise governmental authority.

Tribes should be aware of one additional requirement. The Act requires Secretaries of State and Tribes to remind companies registered in their jurisdiction about the reporting requirements.<sup>5</sup>

If you have any questions regarding the issues discussed in this memorandum, do not hesitate to contact us.

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<sup>1</sup> *An Introduction to Beneficial Ownership Information Reporting*, Financial Crimes Enforcement Network (Nov. 6, 2023, 3:31 PM), [https://www.fincen.gov/sites/default/files/shared/BOI\\_FinCEN\\_Brochure\\_508C.pdf](https://www.fincen.gov/sites/default/files/shared/BOI_FinCEN_Brochure_508C.pdf).

<sup>2</sup> H.R. 6395, 116th Cong. § 6403 (2021).

<sup>3</sup> Carl A. Valenstein and Jose T. Robles, Jr., *Corporate Transparency Act: What Companies Need to Know*, Harvard Law School Forum on Corporate Governance (Feb. 18, 2021), <https://corpgov.law.harvard.edu/2021/02/18/corporate-transparency-act-what-companies-need-to-know/>.

<sup>4</sup> H.R. 6395, 116th Cong. § 6403 (2021).

<sup>5</sup> *Id.*

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