



## Section 2

Beneficial owner / decision maker information

### Who must fill out the forms in Section Two?

This next section gathers the data you need for each **beneficial owner** including those who own 25% or more of the company **OR** have “substantial control” of the company. A reporting company must identify any and all individuals who fit into either (or both) of these two categories.

The Corporate Transparency Act 2021 requires reporting companies to identify their beneficial owners. FinCEN defines “beneficial owners” as any individuals who directly or indirectly:

**A.** Own or control 25% or more of the entity’s ownership interests. According to FinCEN, a beneficial owner is “an individual who owns or controls not less than 25 percent of the ownership interests of the entity.” Ownership interests could include (but are not limited to):

- Equity in the reporting company
- Capital or profit interests (including partnership interests)
- Convertible instruments
- Warrants or rights
- Other options or privileges to acquire equity, capital, or other interests

**B.** Have substantial control over the entity to make decisions. “Substantial control” is a very broad term that can be hard to quantify. For that reason, FinCEN has proposed three specific substantial control indicators:

- Serving as one of a reporting company’s senior officers
- Having the authority to appoint or remove a reporting company’s senior officers or board-of-director members
- Providing direction and determination, making decisions for, or exercising substantial influence over a reporting company’s important matters

You will need to complete (or have the beneficial owner complete) one page in the following section for EACH person who qualifies for EITHER of the two categories above.