

## Corporate Transparency Act / Beneficial Ownership Interest Reporting Services

### Instructions:

Before accepting an engagement to provide services related to the Corporate Transparency Act (“CTA” or “the Act”), including the reporting of Beneficial Ownership Information (“BOI”) to the Financial Crimes Enforcement Network (“FinCEN”), practitioners should familiarize themselves with the following:

- [The Corporate Transparency Act and related rules and regulations](#)
- Guidance provided by [FinCEN](#), including their [FAQs](#)
- [AICPA Professional Standards](#), rules and interpretations
- [Risk Alert: Navigating Corporate Transparency Act/Beneficial Ownership Reporting](#)

Consult with an attorney to obtain guidance and assistance prior to being engaged by the client to perform CTA services to help answer your questions regarding interpretation and/or applicability of the Act or in situations where the client may be alleged to have violated the Act.

*In addition, consult with an attorney regarding the applicable state practice of law rules and guidance as promulgated by state courts, attorney disciplinary boards, or other regulatory agencies charged with governance and interpretation of the “practice of law” within that state. Learn about what constitutes the unauthorized practice of law (“UPL”), whether UPL is a civil or criminal offense, and whether there has been any official pronouncement, case law, or authoritative guidance regarding the CTA and the UPL.*

### CTA Services Engagement Letter Considerations:

- This engagement letter template is intended to be a limited-use letter for services related to CTA and should not be combined or used in conjunction with engagement letters for any other type of engagement.
- Information in footnotes is provided for clarification purposes only. Footnotes should be deleted prior to use with a client.
- A separate engagement letter should be utilized for each “reporting entity”. The use of a single engagement letter for multiple reporting entities is discouraged.
- Communicate and clearly define the scope and limitations of the engagement, taking into consideration that changes or corrections to errors made on prior submissions have strict timelines.
- Describe the applicable professional standards for the engagement.
- Describe the client’s responsibilities.
- Describe the CPA firm’s responsibilities.

- Indicate when services will begin and conclude.
- Identify the engagement deliverable.
- Document the limitations on use of the deliverable.
- Discuss penalties associated with non-compliance.
- Attach the CPA firm’s terms and conditions document to the engagement letter and incorporate such by reference.

**Client confidentiality incident to a criminal investigation**

Firms may be requested, or required, to provide information used in CTA report submissions pursuant to criminal investigations, grand jury subpoenas, court orders, or similar requests related to the enforcement of federal, state or local law. It is *strongly recommended* that prior to responding to such requests, firms seek legal advice from a licensed attorney legal professionals, as the implications to both firm and investigatory target/criminal defendants are complex and beyond the scope of this engagement letter template. Although there may be an argument that disclosure under those circumstances is not a breach of contract, other legal theories of loss, including tort, may be raised if the disclosure in any way violates an individual’s rights or renders inapplicable any criminal defendant’s legal defense.

\* \* \* \* \*

SAMPLE ONLY – CONSULT WITH AN ATTORNEY BEFORE USE: Certain courts view engagement letters as contracts, and local laws and regulations applicable to engagement letter requirements vary significantly. Governmental bodies, commissions, regulatory agencies, state boards of accountancy and professional organizations also have requirements that may prohibit individuals and entities subject to their regulation or professional standards from including engagement letter provisions that limit the rights of clients. Accordingly, before using an engagement letter, an attorney should review it for conformity with applicable laws and regulations.

[Date]

[Client Representative]

[Client Name]

[Client Address]

Dear [Client Representative]:

[CPA Firm] (“firm,” “we,” “us,” or “our”) is pleased to provide [Client Name] (“you” or “your”) with the professional services described below. This letter, and the attached *Terms and Conditions Addendum*<sup>1</sup> and any other attachments incorporated herein (collectively, “Agreement”), confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

### ***Engagement Objective and Scope***

The objective of this engagement is to assist you with your submission of certain beneficial ownership information (“BOI”) to the Financial Crimes Enforcement Network (“FinCEN”) as required by the Corporate Transparency Act (“CTA” or “the Act”).<sup>2</sup>

- ***REPORTING OPTION 1 (INITIAL REPORT):*** *We will submit to FinCEN via electronic interface on your behalf information you provide to us in support of your Corporate Transparency Act/Beneficial Ownership Initial Report (“Report”). These services do not include advice or statutory interpretation of the Act, such as whether any exemption*

---

<sup>1</sup> Consider attaching the firm’s Terms and Conditions document, if applicable.

<sup>2</sup> Select the appropriate Reporting Option based on the type of submission needed. The options are intended to reflect engagements where the client (either individually or through the assistance of another professional, such as an attorney) provides information to the CPA that complies with the Act, and the CPA transmits that information to FinCEN in the approved method. For corrected reports, additional caution may be warranted and documentation in a representation letter (for example, the nature of error, how detected, support for correction) should be considered.

If the client is filing on a “protective basis,” meaning they are opting to provide information to FinCEN without consulting a professional as to whether they are required to file under the Act, consider documenting in your file and noting in the Scope section of the engagement letter that the client has not sought the advice of a professional to determine if the Act applies.

*applies, a determination of who is or is not a beneficial owner, or guidance on any other requirement under the Act.*

- *REPORTING OPTION 2 (UPDATED REPORT): We will submit to FinCEN via electronic interface on your behalf information you provide to us in support of your Corporate Transparency Act/Beneficial Ownership Updated Report (“Report”). These services do not include advice or statutory interpretation of the Act, such as whether any exemption applies, a determination of who is or is not a beneficial owner, or guidance on any other requirement under the Act. Although we may compare information in this Report to information previously submitted, these services do not include any analysis, evaluation, or statement on the accuracy of any Initial, Updated, or Corrected report previously submitted.*
- *REPORTING OPTION 3 (CORRECTED REPORT): We will submit to FinCEN via electronic interface on your behalf information you provide to us in support of your Corporate Transparency Act/Beneficial Ownership Corrected Report (“Report”). These services do not include advice or statutory interpretation of the Act, such as whether any exemption applies, a determination of who is or is not a beneficial owner, or guidance on any other requirement under the Act. Although we may compare information in this Report to information previously submitted, these services do not include any analysis, evaluation, or statement on the accuracy of any Initial, Updated, or Corrected report previously submitted.*

These services do not include any other federal or state reporting requirement to which you may be subject.<sup>3</sup>

While we will assist you with your reporting obligation under the Act, we are not an agent of [Client Name] and have no fiduciary responsibilities related to [Client Name].

The CTA is a federal statute which requires statutorily identified reporting companies to identify and report beneficial ownership information to the FinCEN. This reporting is required under the Bank Secrecy Act, and the primary users of BOI reported to FinCEN will be federal, state and local law enforcement. Failure to comply with the CTA may result in significant penalties, including criminal penalties such as monetary fines and/or jail time. Because of the nature of the Act and penalties associated with non-compliance, you should discuss your obligations under the Act with legal counsel. By entering into this Agreement, you acknowledge that we have advised you to seek legal counsel with respect to your CTA obligations. If, prior to executing this Agreement you believe you need to speak with an attorney regarding your CTA obligations, please do not sign this Agreement.

Our engagement is limited to the professional services outlined above. You have sole responsibility for assessing your Report for compliance with the Act prior or subsequent to its submission to FinCEN. You (including your successors) are and shall at all times remain responsible for all future compliance with the Act, including any change to a Report submitted which may be required under the Act. Unless separately engaged to do so, we shall have no responsibility to: correct, amend, or re-submit the Report; alert you to situations where the Act requires you to correct, amend, or re-submit the Report; or inquire as to whether any event has occurred which may necessitate

---

<sup>3</sup> If New York LLC Transparency Act submissions are included in the scope of services, revise this statement.

correction, amendment, or re-submission of the Report. We shall have no liability for your failure to correct, amend, or re-submit any report as required under the Act.<sup>4</sup>

Our services to you under this Agreement will be based upon guidance promulgated by the U.S. Department of Treasury and FinCEN which is “final” as of the time services are rendered. For purposes of this Agreement, “CTA” or “the Act” does not include draft legislation, Proposed Rules, or any administrative notice affecting the responsibilities of those affected by the Act which is not considered “final”. Guidance is subject to change, and those changes may affect your Report. You are responsible for understanding all requirements applicable to your compliance with the CTA. You are encouraged to seek the advice of your own legal counsel before and during the totality of our engagement.

If, prior to the completion of this engagement, changes are made to the Act which are considered “final,” we may require a modification to this Agreement.

If, prior to your submission, your information or facts change, you must provide us with the updated information and representations as soon as possible, as those changes may affect your obligations under the Act and our obligations under this Agreement.

This engagement does not include any procedures designed to detect errors, fraud, theft, misrepresentation, or other wrongdoing. Therefore, our engagement cannot be relied upon to disclose such matters. In addition, our engagement is not intended to assess your compliance with any other reporting or registration requirement in any jurisdiction, legal or other. We shall have no liability to you or any other party in the event it is determined you are non-compliant with other reporting or registration requirements during the course of this engagement.

You may request that we perform additional services not contemplated in this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services and provide you with a separate engagement letter. In the absence of any other engagement letter, our services to you will be limited to and governed by the terms of this Agreement.

### ***Engagement Deliverable***

We anticipate presenting the following deliverable upon completion of our services.

- A copy of the Report submitted to FinCEN on your behalf, including the date of submission

Prior to submission to FinCEN, we will provide a draft Report to you for review and approval. We will not submit the draft Report to FinCEN without your review and written authorization. If you do not provide written authorization in a timely manner, you will be responsible for any loss which may result from missing the statutorily-imposed deadline.

The final deliverable presented as part of this engagement is solely for the use of [*Client Name*] for the purpose of supporting your compliance with the Act. It should not be relied upon or used for any other purpose without the express written permission of the firm.

During the course of this engagement, we may present to you written or electronic drafts of your Report. These or any similar draft communications regardless of format are our property of and may not be shared with any other party under any circumstance.

---

<sup>4</sup> If scope of services is for an Updated or Corrected Report, consider substituting “Report” for “Report, or any previously submitted report” in this paragraph only.

We will not update your Report after the conclusion of the engagement for subsequent legislative or administrative changes or future judicial interpretations unless agreed to in a separate, executed engagement letter.

We do not guarantee, either expressly or impliedly, any outcome or success of any administrative review of your Report by regulatory authorities.

If for any reason we are unable to complete the engagement, we will not issue a deliverable.

#### Permissible disclosures

You acknowledge and agree that any information provided to us in support of this engagement shall be for the sole use of complying with the Act, and for no other purpose. We acknowledge and agree that information provided to us in support of this engagement shall remain confidential consistent with professional ethics requirements, and that we shall take commercially reasonable steps to safeguard such confidential information.

Notwithstanding, information provided to us in support of this engagement may ultimately be requested by governmental agencies either for law enforcement purposes or for other regulatory purposes as permitted by law. By entering into this Agreement, you acknowledge that we may be compelled to provide this information by court or similar order and agree that in such instances disclosure of information provided to us in response to those requests shall not be considered a breach of this Agreement.<sup>5</sup>

#### ***CPA Firm Responsibilities***

It is our duty to perform our services based on the same standard of care that a reasonable professional service provider would exercise in this type of engagement. For the purposes of this Agreement only, the applicable standard of care shall be based upon technical guidance issued by FinCEN as detailed on [www.fincen.gov/boi](http://www.fincen.gov/boi), and relevant ethical guidance applicable to us either via state accountancy statutes which govern our practice, the AICPA Code of Professional Conduct, or both.

The above professional services will be performed based upon information you provide to us. We will not audit or otherwise verify the data you submit to us. We shall have no liability for any loss suffered by you or any owner/beneficial owner resulting from inaccurate or incomplete information provided to us or your failure to provide relevant information.

We will not respond to any request from banks, mortgage brokers or other third parties for verification of your compliance with the Act or confirmation of your beneficial ownership information. **You agree to indemnify and hold us harmless from any and all claims arising from the use of the Report for any purpose other than complying with your CTA compliance obligations regardless of the nature of the claim, excepting claims arising from our gross negligence or intentional wrongful acts.**

We will not make any management decisions or perform management functions on your behalf.

#### ***Client Responsibilities***

You acknowledge and agree that your failure to comply with the responsibilities enumerated in this section may result in economic or other loss to you as well as the potential for criminal

---

<sup>5</sup> See instructions for discussion of ethical concerns regarding client confidentiality in criminal investigations.

prosecution in the event you are found to not be in compliance with the Act. You agree to accept responsibility for any consequences of your failure to fulfill your responsibilities.

You agree to provide us with accurate and complete copies of the records or information that we may request as necessary to provide our services, including any documentation or memorandum provided to you by third parties describing your reporting obligations under the Act, either at the inception or during the course of the engagement.

You agree that you are responsible for all decisions and analysis related to your compliance with the Act, including, but not limited to, the determination that you are a reporting entity in accordance with the Act and the identification of your beneficial owners, including those that exercise substantial control of your business.

You acknowledge that the Act requires the Report to be submitted prior to statutorily-imposed deadlines which are either thirty (30) or ninety (90) days after the occurrence of specified events which are enumerated in the Act. You are responsible for identifying and determining whether such an event has occurred, as well as notifying us of the date on which the event occurred.

You agree to provide us information we request necessary to perform under this engagement no later than [Date]. If you do not provide complete information in the required timeframe, you acknowledge that your delay may result in a late submission, and you further agree to accept full responsibility for any loss or penalty which may result from missing the statutorily-imposed deadline, as well as responsibility for any costs or penalties which may result where a late submission requires the submission of a new, separate report.

*Communication of authority of others (Optional)*

*You hereby authorize the following individuals from [Client Name] to communicate directly with us on your behalf, and to request services and exchange information necessary to provide the services described in this Agreement:*

<u>Name</u>	<u>Title</u>
_____	_____
_____	_____

*You agree that this limited authority conveyed above shall continue in full force and effect until either this Agreement is concluded, or you inform us of any modifications in writing, whichever occurs first.*

*Online access to information (Optional)*

*To the extent you provide our firm with access to electronic data via a local or online database from which we will download your information, you agree that the data is accurate as of the date and time you authorize it to be downloaded.*

Documentation

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your Report. Our records are not a substitute for yours. You should retain all documents that provide evidence and support for beneficial ownership as required under applicable laws and regulations. You represent that you have such documentation and can produce it, if necessary, to respond to any examination or inquiry as may be required under the Act or by

governmental agencies (including law enforcement). You will be responsible for any liability including but not limited to penalties, interest and related professional fees, resulting from inadequate documentation.

#### Penalties under the Act

In general, a person who willfully violates beneficial ownership reporting requirements under the Act may be subject to civil (monetary) penalties for each day that the violation continues. They may also be subject to criminal (fines and/or imprisonment) penalties. Both individuals and corporate entities may be held liable for willful violations. Beneficial owners who refuse to provide required information may also be held liable.

#### Ultimate responsibility

You have the final responsibility for the contents of your Report, including information provided by third parties. We will provide you with a copy of the deliverable for review prior to finalization. You agree to review and approve the deliverable carefully for accuracy and completeness prior to submission.

Prior to the conclusion of this engagement and your submission to FinCEN, we may ask that you sign a written representation related to the information you provide in support of your Report. If you decline to sign this representation when requested, we may terminate this Agreement.

#### ***Timing of the Engagement***

We expect to begin our services upon receipt of this executed Agreement. Our services will conclude on the earlier of:

- transmission to FinCEN of the deliverable as identified above;
- written notification by either party that the Agreement is terminated; or
- one (1) year from the execution date of this Agreement.

#### ***Professional Fee***

Our professional fee for the services outlined above is estimated to be \$[X], *of which [X]% is due upon execution of this Agreement as a retainer (Optional)*. This fee is based upon the complexity of the expected work to be performed, our professional time and out-of-pocket expenses. Circumstances may arise that impact our estimated fee such as, but not limited to, issues encountered with the timely delivery, availability, quality, or completeness of the information you provide to us, changes in your personnel or operations that impact our services or other unanticipated items that arise during our engagement and that require additional time in order to complete the agreed-upon services. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees and expenses incurred whether or not we complete the engagement.

\* \* \* \* \*

We appreciate the opportunity to be of service to [Client Name]. Please date and execute this Agreement and return it to us to acknowledge your acceptance. We will not initiate services until we receive the executed Agreement *and retainer (Optional)*.



By initialing below, I acknowledge that I have been advised by [CPA Firm] to seek the advice of legal counsel with regards to my obligations under the Corporate Transparency Act.

INITIAL HERE: [ ]

*By initialing below, I acknowledge that I received a copy of [CPA Firm]'s Terms and Conditions which are incorporated into and made part of this Agreement.*

*INITIAL HERE: [ ] (Optional)*

Very truly yours,

[CPA Firm]

---

[Accountant Name]

[Accountant Title]

ACCEPTED:

---

[Client Name]

[Authorized Officer]

[Title of Officer]

---

[Date]

*This information is produced and presented by CNA, which is solely responsible for its content.*

*This sample engagement letter contains illustrative language to include in an engagement letter. The letter should not be construed as legal advice or legal opinion on any factual situation. As legal advice must be tailored to the specific circumstance of each case, the general information provided herein is not intended as a substitute for the advice of a professional or legal counsel. This sample is not intended to be all-inclusive of the types of services performed by accountants. It should be customized for each engagement and prepared in accordance with applicable professional, legal and regulatory requirements.*

*The information, examples and suggestions presented in this material have been developed from sources believed to be reliable, but they should not be construed as legal or other professional advice. CNA accepts no responsibility for the accuracy or completeness of this material and recommends consultation with legal counsel and/or other professional advisors before applying this material in any particular factual situations. This material is for illustrative purposes only and is not intended to constitute a contract. Please remember that only the relevant insurance policy can provide the actual terms, coverages, amounts, conditions and exclusions for an insured. All CNA products and services may not be available in all states and may be subject to change without notice.*

*Any references to non-CNA websites are provided solely for convenience, and CNA disclaims any responsibility with respect thereto.*

*"CNA" is a registered trademark of CNA Financial Corporation. Certain CNA Financial Corporation subsidiaries use the "CNA" trademark in connection with insurance underwriting and claims activities. Copyright © 2024 CNA. All rights reserved.*