

Subject: Corporate Transparency Act requirements

As of January 1, 2024, a new federal reporting law came into effect for legal entities which get created by submitting a filing with the Secretary of State. The recently enacted Corporate Transparency Act requires that a financial report be submitted to the US Treasury department listing all beneficial owners of said types of U.S. entities. Examples of these entities include Limited Liability Companies (LLCs), Corporations, as well as some types of partnerships.

The new required form can be submitted online on the FINCEN website at <https://boiefiling.fincen.gov/>. Failure to timely submit this required form may result in serious civil and criminal penalties. There is no small entity exception, meaning even small entities, including single member entities such as single member LLCs, are required to file a report. For any reporting company formed prior to January 1, 2024, the filing must be submitted by the end of 2024. For entities created in 2024, the filing is due within 90 days of creating said entity, and starting in January of 2025, the filing will be due within 30 days of new entity creation. Additionally, updates are required in the future when any changes in beneficial ownership occur.

Please contact attorneys Ashley Post (apost@cdbesq.com) or Peter Potts (ppotts@cdbesq.com) with any questions, or our receptionist, Carlie Wright (cwright@cdbesq.com), to schedule a meeting or phone call to discuss this new requirement or if you would like filing assistance.