

CORPORATE TRANSPARANCY ACT NOTICE

Since January 1, 2024, a new federal law - the Corporate Transparency Act (“CTA”) went into effect. The CTA requires any limited liability company, corporation, limited partnership, certain trusts and other entities which qualifies as a “reporting company” to report the names and other personal information of its “beneficial owners” and, for any newly formed entity, its “company applicants” to the Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”) pursuant to a beneficial ownership information report (“BOI Report”). These reporting requirements may pertain to your entity(ies), even if established simply for tax or estate planning purposes.

FinCEN has been accepting initial BOI reports electronically since January 1, 2024. Reporting companies created or registered on or after January 1, 2024, are required to file their BOI reports with FinCEN within 90 calendar days of receiving actual or public notice from the secretary of state or similar office that the company has been created or registered. After January 1, 2025, the time to report to FinCen is reduced to 30 calendar days of actual or public notice that the company has been created or registered.

All reporting companies created or registered before January 1, 2024, are required to report to FinCEN by January 1, 2025.

If at any time a reporting company discovers an inaccuracy in a previously filed report, or if there is a change to previously reported information, the reporting company must file an updated or corrected report with FinCEN within 30 calendar days.

We recommend you review FinCEN’s CTA Small Business Compliance Guide and Fact Sheet for more information. Additional information concerning the BOI reporting requirements is available on FinCEN’s BOI Reporting webpage.

Crain, Caton & James is happy to assist existing and new clients with a determination of whether your entity(ies) must report as well as the details of any BOI reports. We cannot, however, independently prepare or file any BOI reports on a client’s behalf unless specifically engaged to do so.

It is important to note that failure to comply with the CTA can result in significant penalties, including substantial fines and potential criminal charges.