

## insights

TYPES NOT MAPPED YET November 14, 2024 | TTR not mapped yet | Matt I. Hafter, Barry L. Fischer, Eileen Duffy Robinett

# Corporate Transparency Act Reporting is a Reality

If you have not already done so, now is the time to investigate whether your company may be subject to the filing requirements of the Corporate Transparency Act (CTA). If your company is a corporation, limited liability company, limited partnership or other entity created by a filing with a State's Secretary of State or similar governmental authority, your company will be required to file under the CTA unless it comes within one of the 23 CTA exemptions.

FinCEN has published a [Small Entity Compliance Guide](#) and [Frequently Asked Questions](#) to assist companies in understanding the CTA, its exemptions, and the filing requirements. Thompson Coburn LLP has many useful resources on our [Corporate Transparency Act \(CTA\) Resources page](#) and can assist in answering questions you may have about how the CTA may apply to your company.

If there is no applicable exemption for your company:

- Companies formed before January 1, 2024 (and that were in existence at any time during 2024) must file beneficial ownership information reports (BOIRs) by **January 1, 2025**.
- Companies formed during 2024 must file BOIRs (including company applicant information) within 90 days of formation.
- Companies formed on or after January 1, 2025 will have only 30 days after formation to file BOIRs (including company applicant information).

We continue to monitor challenges to the CTA in various courts and possible interest in Congress to delay, limit or repeal the CTA. But for now, the CTA stands, and the filing deadlines are mandatory.

As the end of the year draws closer, and the likelihood that key people from whom information is required will be out of contact because of holidays and vacation, we recommend that each entity take the following actions to prepare:

- Review your company group's organizational chart to identify subsidiaries, parent entities, officers, directors, managers, makers of significant decisions with respect to the company, and individuals who may own directly or indirectly 25% or more of the company's ownership interests on an aggregate basis.
- Review each company's governing documents (for example, stockholder agreements, LLC operating agreements, charters and bylaws) and other important agreements that grant rights regarding how the company is operated, to determine whether any persons or entities - in addition to the officers, directors, managers, 25% equity holders and others identified above - may have rights to exercise substantial control over the company and therefore may need to be evaluated for beneficial ownership reporting.
- Obtain information for the BOIR, including acceptable forms of identification that may be hard to track down. If beneficial owners balk at providing the required information, it might be necessary to remind them that their willful failure to comply with BOIR reporting requirements may result in civil and criminal penalties to them.
- Encourage beneficial owners to obtain their own FinCEN identifiers to ease the administrative burden of reporting on the company and to allow the beneficial owners to manage the updating of their own personal information.



- Decide how you will file the BOIRs (does your company have personnel who can handle the filings or will you need to use a filing service company) and get the reports prepared and filed as soon as possible (being especially conscious that for BOIRs due on January 1, 2025, there are likely to be a lot of companies attempting to file on or around that date).
- Get a process in place to receive information about any changes or updates to the BOIR information so that updated BOIRs can be filed on a timely basis (as updated BOIRs are due within 30 days of changes in reported information).

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