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News & Insights

Corporate Transparency Act: ?What You Need to Know

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Corporate Transparency Act: ?What You Need to Know

Beginning January 1, 2024, the Corporate Transparency Act (the "Act") will require a significant number of companies in the United States to file a report with the Financial Crimes Enforcement Network (FinCEN) that provides information regarding each of the beneficial owners of a company, the individual(s) responsible for forming the entity (if the company is created or registered after January 1, 2024), and other information relating to the company's legal name, address, jurisdiction of formation or registration, and taxpayer identification number (TIN).

Entities existing prior to January 1, 2024 will have until January 1, 2025 to satisfy any reporting obligations imposed by the Act, while entities that are created or registered after January 1, 2024 (and before January 1, 2025) will have ninety (90) days to satisfy any reporting obligations. **It is important to act now to ensure that your entity will be prepared to comply with the Act's requirements. Failure to comply may result in criminal penalties of up to $10,000 and/or possible imprisonment of up to two (2) years, and civil penalties of $500/day.**

The Act applies to any legal entity formed by filing documentation with a Secretary of State or similar office (e.g., limited liability companies, corporations, limited partnerships, etc.). While there are a number of exemptions from the reporting requirements imposed by the Act, most small to mid-sized companies will not be exempt.

Contact your attorney at Hall Estill with any questions regarding your obligations under the Act or if we can be of any assistance in satisfying the reporting requirements imposed by the Act.

Practices

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