Important Reminder – Corporate Transparency Act Filing Obligations

Description

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This is a reminder that pursuant to the Corporate Transparency Act ("CTA"), most new and existing business entities are required to submit a beneficial ownership information ("BOI") report to the Financial Crimes Enforcement Network, also known as FinCEN. Entities formed on or after January 1, 2024 must file a BOI report within 90 days after formation, unless the entity qualifies for an exemption. For entities formed in early 2024, this deadline is fast approaching.

Failure to timely file with FinCEN may result in penalties of up to $500 for each day that a company fails to provide a BOI report, as well as potential criminal penalties. FinCEN's BOI filing portal can be found here: **Beneficial Ownership Information Reporting | FinCEN.gov**.

On March 1, 2024, the U.S. District Court for the Northern District of Alabama held the CTA to be unconstitutional. However, this decision applies only to the plaintiffs in that case, and the decision has been appealed. For the time being, business entities must still comply with their obligations under the CTA, meaning that newly formed entities must still meet the 90 day filing deadline. Entities formed prior to 2024 have until the end of this year to file their BOI reports. These entities should assess whether they are required to file a BOI report and should collect the necessary information from their beneficial owners, but they may want to wait to file a BOI report until later this year, when there will hopefully be more certainty around the CTA.

If you are uncertain regarding the filing requirements for your business or whether you qualify for an exemption, connect with our **Corporate & Business** attorneys, including **Lawrence Sheh**, **Brian Reilly**, and **Madeline Ursini**, to learn more. Although we can assist with making these determinations and collecting the necessary information, you will be required to submit any required BOI report on behalf of your business entity.

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