

Dear Client:

2024 Corporate Transparency Act (CTA) passed by Congress:

A new reporting rule goes into effect on January 1, 2024, requiring the filing of a special form directly online with the Financial Crimes Enforcement Network (FINCEN).

This reporting form will require disclosure of certain beneficial ownership information.

The **following entities** formed under State Law will be required to file, unless they are exempt under certain limited circumstances:

Single member LLC's (SMLLC...even if filing Schedule C),

Limited Liability Companies (LLC)

Multi-member LLC's (MMLLC)

S Corporations

C Corporations

Limited Liability Partnerships (LLP)

Limited Liability Limited Partnerships (LLLLP)

The **filing deadlines** will be as follows:

- **Within 90 days of formation of a new business formed in 2024, or**
- **By December 31, 2024, for companies that were in existence prior to 2024.**

• Beneficial owner information includes full legal name, date of birth, residential street address and passport or driver's license image (picture).

A beneficial owner is an individual owning 25% or more of the entity, as well as **officers, board members** and **non-owner managers**.

Beneficial owners' also include the **company applicants** of the entity

• Once the initial report has been filed with FinCen, both existing and new reporting companies will have to file any updates to ownership **and address** changes will have to be reported **within 30 days of any CHANGE**.

• **Penalties for non-compliance are \$500 per day and up to 2 years in prison.**

There are very few exceptions for small businesses, and newly formed LLC's and corporations have the biggest exposure for non-filing. **** IMPORTANT **** Make sure you tell us about any new entities you establish in 2024, so you are able to comply with the 90 day registration requirements.

[2024 Beneficial Ownership FAQs](#)