BERGER SINGERMAN
FLORIDA'S BUSINESS LAW FIRM

CLIENT ALERT- REMINDER: FINCEN CTA REPORTING DEADLINE FOR REPORTING COMPANIES FORMED BEFORE 2024 IS JANUARY 1, 2025. ARE YOU READY?

September 4, 2024

The Corporate Transparency Act (“CTA”), a bi-partisan law aimed to combat money laundering, terrorist financing, corruption, tax fraud, and other illicit activities, requires both domestic and foreign reporting companies to disclose information about the company and its beneficial owners— those persons who own 25% or more of the company (through equity, stock, convertible debt, etc.) or exert significant control over its governance and operations (e.g., C-suite officers and “important decision-makers") to the federal government. Reporting companies formed or registered before January 1, 2024, must submit their initial Beneficial Ownership Information (“BOI”) report by January 1, 2025.

Domestic reporting companies include corporations, partnerships, limited liability companies, and similar entities established by filing documents with a secretary of state or a comparable office under state law or with offices or agencies of Indian Tribes under Tribal law. Foreign reporting companies encompass corporations, partnerships, limited liability companies, or other similar entities formed under the laws of a foreign country but registered to do business in any U.S. state or territory through similar filings.

Failure to comply with the CTA's reporting requirements may lead to severe penalties, including fines ranging from $500 per day, up to $10,000, and imprisonment for up to two years. Despite the importance of this mandate and the looming January 1, 2025, deadline, many advisors, and their clients are still unaware or unclear about the law's implications, posing a significant compliance challenge for 2024. Clients will require assistance in navigating the complex and sometimes ambiguous reporting requirements detailed in many pages of rules and regulations.

Persons with reporting companies formed or registered before January 1, 2024, should promptly develop a compliance agenda to meet the January 1, 2025 deadline.

The attorneys on Berger Singerman’s CTA Task Force are experienced in CTA matters and stand ready to answer CTA-related questions and assist with filing any required BOI reports. If you have any questions about the CTA and/or any of the information contained herein, please contact our CTA Task Force at info@bergersingerman.com.

[1] Reporting companies formed in calendar year 2024 must file a Beneficial Ownership Information Report within 90 days of formation.

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