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FLORIDA'S BUSINESS LAW FIRM

CLIENT ALERT - CORPORATE TRANSPARENCY ACT: FINCEN FINALIZES 90-DAY EXTENSION TO CERTAIN FILING DEADLINES

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On November 29, 2023, FinCEN announced that it has finalized regulations that extend the filing deadline under the Corporate Transparency Act (the "CTA") for companies created or registered in calendar year 2024. Under the prior rule, companies created or registered on or after January 1, 2024, were required to file their initial beneficial ownership reports with FinCEN within 30 calendar days of notice of their creation or registration. The final regulations now extend that deadline from 30 calendar days to 90 calendar days for companies created or registered in calendar year 2024. Note that companies created or registered prior to January 1, 2024, are still required to file their initial beneficial ownership reports no later than January 1, 2025, and companies created or registered on or after January 1, 2025, are still required to file initial beneficial ownership reports within 30 days of notice of their creation or registration.

CTA Overview

The CTA requires certain domestic and foreign companies, called “reporting companies,” to file their beneficial ownership information with FinCEN. A reporting company can be either a domestic reporting company or a foreign reporting company. A domestic reporting company is a corporation, limited liability company or other entity created by the filing of a document with a Secretary of State or any similar office or Tribe. A foreign reporting company is a corporation, limited liability company, or other entity formed under the laws of a foreign country and registered to do business in any State or Tribal jurisdiction by the filing of a document with a Secretary of State or any similar office or Tribe.

Beneficial ownership reports must include the name, date of birth, address, identification number and copy of an identification document (such as a driver’s license or passport) for each beneficial owner. A beneficial owner is an individual who, directly or indirectly, either exercises “substantial control” over a reporting company or owns or controls at least 25 percent of the ownership interests of the reporting company.

If any previously reported information changes or is incorrect, a reporting company is required to file an updated or corrected beneficial ownership report within 30 calendar days after the date the change occurs or the date the company becomes aware of the inaccuracy.

Our firm’s CTA Taskforce is devoting significant time to ensure that our clients understand the new beneficial ownership rules and has already begun fielding questions since the CTA was enacted. If you have any questions or need additional guidance, please reach out to Daniel W. Hudson, Bryan S. Appel, or Mark Wisniewski.

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