November 30, 2023

Generations Fall 2023 - Corporate Transparency Act Becomes Effective on January 1

As summarized here in our *Generations* spring/summer 2023 edition, the Corporate Transparency Act (Act) and the regulations promulgated by the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN) go into effect on January 1, 2024. The Act creates a broad beneficial ownership reporting requirement for "reporting companies"—requiring reporting companies to disclose to FinCEN the name, address, date of birth and unique identification number from an "acceptable identification document" of all significant equity holders and persons who exercise control over the reporting company ("beneficial owners" under the Act). These reports will not be open to public inspection but will require reporting companies to disclose information about their beneficial owners and managers to the federal government.

Reporting companies formed before January 1, 2024, must file their initial beneficial ownership report with FinCEN's Beneficial Ownership Secure System (BOSS) by January 1, 2025. Reporting companies formed on or after January 1, 2024, will have ninety days from the date of their formation to make the required filing if the entity is formed during 2024, and thirty dates from the date of their formation to make the required filing if the entity is formed after 2024.

The regulations and guidance relating to beneficial owners and reporting companies continue to evolve. Since the date of our last article, FinCEN has published additional proposed regulations (several of which have not been finalized yet), FAQs, and a small-entity compliance guide. These resources may be found through FinCEN's beneficial ownership information webpage. In preparation for the effective date of the Act, privately held companies should now review the requirements of the Act and establish internal protocols for determining the identity of beneficial owners and collecting required information on beneficial owners.

? ?

Would you like to receive our *Day Pitney Generations Newsletter?* Sign up here.

Authors



Brian W. Fischer
Partner

Hartford, CT | (860) 275-0635

bfischer@daypitney.com



R. Scott Beach
Partner

Greenwich, CT | (203) 862-7824

Stamford, CT | (203) 977-7336

rsbeach@daypitney.com