

# CLIENT ALERT

**“The CTA marks a seismic shift in the legal landscape for businesses operating in the United States.”**

— American Bar Association

Buchanan

## CORPORATE TRANSPARENCY ACT WHAT YOU NEED TO KNOW

### What is the Corporate Transparency Act (CTA)?

At a high level, this is an anti-money laundering rule enacted by the Financial Crimes Enforcement Network (FinCEN) of the U.S. Department of Treasury.

Companies formed or registered before January 1, 2024

Must file a BOI report by December 31, 2024.

Companies formed or registered during 2024

Must file a BOI report within 90 days after receiving notice it has been formed or, in the case of a foreign corporation, registered.

Companies formed or registered on or after January 1, 2025

Must file a BOI report within 30 days after receiving notice it has been formed or, in the case of a foreign corporation, registered.

### Penalties for Non-Compliance

Civil and criminal penalties may apply for:



Willfully providing, or attempting to provide, false/ fraudulent BOI

OR

Willfully failing to provide complete/ updated BOI

Civil penalty for each violation of up to \$10,000 each

AND/  
OR

Criminal penalty of up to 2 years imprisonment



### Who is a Beneficial Owner?

Directly or indirectly, a person who exercises substantial control over a company or who owns/controls at least 25% of the ownership interests.

## What needs to be done?

To ensure your business and interests are properly protected, follow these five steps:



Make a list of every privately held entity your company wholly owns and/or has an interest in.



Work with legal counsel to determine exemption status and complete a beneficial ownership analysis.



Gather necessary contents for report.



Submit all information prior to your specific deadline.



Update and/or correct BOD reports as Reported information changes.

**These CTA rules impact nearly every company doing business in the U.S. Penalties can be harsh and determining your status requires legal expertise.**

Buchanan has a core team of attorneys who understand the critical nuances of this law and who can assist companies in understanding whether they are obligated to report. Contact your Buchanan attorney today for more information or determine your filing status and start the process.

## BUCHANAN'S CORPORATE TRANSPARENCY ACT TASK FORCE



### STEVEN W. SMITH

Corporate Shareholder  
steven.smith@bipc.com  
P: 215 665 3607



### BRIAN S. NORTH

Corporate Shareholder and Securities  
& SEC Practice Group Co-Leader  
brian.north@bipc.com  
P: 215 665 3828



### JARED R. JOHNSON

Tax Shareholder and Business Tax Practice  
Group Co-Leader and Family Office Practice  
Group Co-Leader  
jared.johnson@bipc.com  
P: 215 665 5357



### JENNIFER M. RODRIGUEZ

Tax Counsel  
jennifer.rodriquez@bipc.com  
P: 954 468 2334



### ROBIN L. DIERBECK

Corporate Attorney  
robin.dierbeck@bipc.com  
P: 202 452 5475