



Schanker and Schanker PLLC

ATTORNEYS & COUNSELORS AT LAW

Steven M. Schanker, Esq. • R. Mark Hochberg, Esq. • Andrea B. Schanker, Esq. • Nicole M. Grube, Esq.

The Corporate Transparency Act: Have you Complied?

If you have formed a Corporation, a Business Partnership, a Family Limited Partnership, a Limited Liability Company or other similar entity in connection with your estate planning, home ownership, or other personal/business reasons, you may be required to report information regarding the ownership of these entities to the Federal government under the Corporate Transparency Act.

The Corporate Transparency Act (the "CTA") is a Federal Law that became effective as of January 1, 2024. It requires "Qualified Reporting Companies" to disclose their "Beneficial Owners" and control structures to the Financial Crimes Enforcement Network (FinCEN) of the United States Department of the Treasury.

A "Beneficial Owner" is an individual who directly or indirectly exercises substantial control over the reporting entity or owns, individually or jointly, or controls at least 25 percent of the entity. The "Qualified Reporting Companies" must report their beneficial ownership and control structures which may include identifying Trust Grantors (creators), Trustees, and, possibly, Beneficiaries.

The purpose of the CTA is to thwart illegal and illicit financial activities, such as money laundering, financing terrorism, tax fraud, etc. The data is stored in a secure, confidential and non-public Federal database.

Reporting requirements includes divulging the full legal name, date of birth, current residential address or business street address and an identification number from an acceptable identification document (ie. Passport or driver's license), along with a photocopy of such document, and Taxpayer/Social Security Number for each "beneficial owner" to FinCEN. The reported information to FinCEN will be maintained under strict confidentiality and may only be disclosed under very limited circumstances, such as a request by a federal agency engaged in national security, intelligence, or enforcement of the law.

Reporting deadlines for entities created on or after January 1, 2024, but before January 1, 2025, the initial reports are due within 90 days from the creation of the entity. For entities created on or after January 1, 2025, the initial reports are due within 30 days from the creation of the entity. For entities created prior to January 1, 2024, their reporting deadline is December 31, 2024.

Additional information and guidance may be found on www.fincen.gov. You can also utilize <https://www.unitedcorporate.com/corporate-transparency-act/> as another resource. You may have already received information about this directly from the government. ***This is a strict requirement and the consequences for non-compliance can include monetary fines and possibly criminal prosecution.***

Please contact Schanker and Schanker PLLC if you have any questions or need additional resources to fulfill your requirements in a timely manner.