

FinCEN Extends Corporate Transparency Act Filing Deadline for Companies Created or Registered in 2024 Only

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The Financial Crimes Enforcement Network (“FinCEN”) has issued a final rule, effective January 1, 2024, to amend the beneficial ownership information (“BOI”) reporting rule (the “Reporting Rule”) under the Corporate Transparency Act (“CTA”). This final rule extends the filing deadline for certain companies to file their initial BOI reports. Prior to this amendment, entities created or registered on or after January 1, 2024, and before January 1, 2025, were required to file initial BOI reports with FinCEN within 30 calendar days of their creation or registration. The Reporting Rule now extends that initial filing deadline (for entities created or registered in calendar year 2024 only) from 30 calendar days to 90 calendar days.

According to FinCEN, this amendment is intended to give reporting entities additional time to understand the new reporting obligation under the CTA and to collect the necessary information to complete their filings.

We note that all other reporting deadlines under the BOI Reporting Rule remain unchanged, other than for newly created or newly registered business entities during 2024. Importantly, reporting companies formed before January 1, 2024, will continue to have one full year to submit their initial BOI reports, and reporting companies formed on or after January 1, 2025, will continue to be required to submit their initial BOI reports within 30 calendar days of their creation or registration.

Further, this final rule reinforces FinCEN’s public commitment to roll out CTA reporting obligations and filings on January 1, 2024.

The Corporate Transparency Act is a new beneficial owner reporting requirement in the United States. Beginning January 1, 2024, over thirty-two million U.S. business entities, and their beneficial owners, will become subject to FinCEN’s new requirements, which were originally designed to catch “bad” actors choosing to hide behind the “corporate veil.” Whether you like it, hate it, or are indifferent, the CTA is here to stay. Compliance is both mandatory and advisable. Now is the time to discuss this with your legal team for guidance.