



Corporate Transparency Act: FINCEN Proposed Extension for Companies Formed in Calendar Year 2024

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On September 28, 2023, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued a proposed rule to extend the period to report beneficial ownership under the Corporate Transparency Act (the "CTA," and such proposed rule, the "Proposed Rule")^[1]

Under the Proposed Rule, reporting companies created or registered on or after January 1, 2024, and before January 1, 2025, would have 90 days (vs. 30 days) to submit a report of their beneficial ownership information.

According to the Proposed Rule, the extension is intended to give reporting companies additional time to understand their reporting obligations, additional time to obtain the required information, and more time to resolve questions that may arise as reporting companies attempt to file their initial reports. Another benefit may be less initial reporting volume for the Beneficial Ownership Secure System (BOSS), the new reporting system FinCEN is creating to receive beneficial ownership information, which is set to go live in early 2024.

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In addition, FinCEN has published a small entity compliance guide^[2] FAQs,^[3] and set up a small business resource page, which will hopefully become a continuously updated resource for companies endeavoring to comply with CTA.^[4]

William Mullen will continue to monitor FinCEN's implementation of the Corporate Transparency Act, and we will provide updates and alerts when warranted.

This article contains general, condensed summaries of actual legal matters, regulations, and opinions for informational purposes. It is not meant to be and should not be construed as legal advice. Readers with particular needs on specific issues should retain the services of competent counsel. For more

information, please visit our website at www.williamsmullen.com, or contact Larry Parker at 804.420.6467 or via email at lparker@williamsmullen.com.

[1] Beneficial Ownership Information Reporting Requirements, 88 Fed. Reg. 66,730 (September 28, 2023).
<https://www.govinfo.gov/content/pkg/FR-2023-09-28/pdf/2023-21226.pdf>

[2] <https://www.fincen.gov/boi/small-entity-compliance-guide>

[3] <https://www.fincen.gov/boi-faqs>

[4] <https://www.fincen.gov/boi/small-business-resources>

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