

Alert | Financial Regulatory & Compliance



September 2024

CTA Countdown: Upcoming FinCEN Filing Deadlines

The Corporate Transparency Act (CTA) has been in effect since Jan. 1, 2024, requiring non-exempt U.S. entities and non-exempt foreign entities that are registered to do business in the United States (collectively, Reporting Companies) to submit beneficial ownership information (BOI) reports to a confidential database maintained by the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN).

Nine months in, and with the Jan. 1, 2025, reporting deadline for entities formed before 2024 quickly approaching, uncertainty continues surrounding the implementation and application of the CTA and its implementing regulations (BOI Reporting Rule). U.S. and non-U.S. entities sometimes find that current FinCEN guidance is not entirely clear on the application of certain exemptions to CTA reporting requirements, and many companies continue to seek clearer guidance on the scope of their reporting obligations.

As we reported in a March [GT Alert](#), uncertainty regarding the CTA's implementation was brought to the fore by a March 2024 U.S. District Court, Northern District of Alabama case,¹ which found the CTA unconstitutional on the grounds that it exceeded Congress' enumerated powers. It is important to note, however, that the court enjoined the U.S. Department of the Treasury and FinCEN from enforcing the CTA only against the plaintiffs in that particular case. While the case remains on appeal, and while federal

¹ See *Nat'l Small Bus. United v. Yellen*, No: 5:22-cv-01448-LCB, 2024 WL 899372 (N.D. Ala. Mar. 1, 2024).

courts continue to entertain similar challenges in other districts,² the compliance deadlines in the CTA remain in effect and reporting companies should continue to comply with the important filing deadlines outlined in this GT Alert.

Important Filing Deadlines

Reporting companies must comply with the following timeframes:

- Reporting Companies Existing/Registered Prior to Jan. 1, 2024: U.S. reporting companies created, and foreign reporting companies registered to do business in the United States before Jan. 1, 2024, must file their initial BOI report with FinCEN by no later than Jan. 1, 2025.
- New Reporting Companies Formed/Registered on or after Jan. 1, 2024: U.S. reporting companies created, and foreign reporting companies registered to do business in the United States, on or after Jan. 1, 2024, and before Jan. 1, 2025, must file their initial BOI reports with FinCEN within 90 calendar days of their creation or registration effective date.
- New Reporting Companies Formed/Registered on or after Jan. 1, 2025: U.S. reporting companies created, and foreign reporting companies registered to do business in the United States on or after Jan. 1, 2025, must file their initial BOI report with FinCEN within 30 calendar days of their creation or registration effective date.
- Companies That Lose Their Exemption: Any entity that no longer meets the criteria for an exemption under the CTA must file a BOI report within 30 calendar days of the date it no longer meets the criteria for an exemption.
- Changes to BOI Reports: Reporting companies will have 30 calendar days to file an updated BOI report if there is a change in the information previously reported to FinCEN.
- Error Corrections: If a reporting company filed a BOI report containing information that was inaccurate at the time of filing, and such information remains inaccurate, the reporting company must file a corrected BOI report within 30 calendar days of the date it becomes aware, or has reason to know, that the information is inaccurate.

Willful failure to comply with the reporting requirements of the BOI Reporting Rule may result in criminal and civil penalties, including (i) civil monetary penalties of \$591 per day (subject to annual adjustments for inflation) and (ii) criminal penalties of a \$10,000, imprisonment for no more than two years, or both. The BOI Reporting Rule purports to make a person responsible for a willful violation of its reporting requirements if the person caused the failure to report or is a senior officer of the reporting entity at the time of the violation.

Conclusion

The CTA is now in effect, marking a change in how the federal government tracks beneficial ownership of reporting companies. With an estimated 32.6 million companies expected to need to report BOI to FinCEN, it is crucial for U.S. and foreign organizations to understand the CTA's wide-ranging applicability

² For example, in *Firestone v. Yellen*, seven plaintiffs challenged the constitutionality of the CTA on multiple grounds, including violations of the First, Fourth, Fifth, Eighth, Ninth and Tenth Amendments, as well as exceeding Congress' authority under Article 1 of the U.S. Constitution (3:24-CV-1034-SI, 2024 WL 4250192 (D. Or. Sept. 20, 2024)). On Sept. 20, 2024, the U.S. District Court for the District of Oregon denied the motion for preliminary injunction, finding that the CTA falls within Congress' authority under the Commerce Clause and the Necessary and Proper Clause. The court also rejected or dismissed the other constitutional challenges and found that the balance of hardships and public interest did not favor granting the injunction, as enjoining the CTA would interfere with Congress' efforts to combat financial crimes and protect national security.

to different types of entities doing business in the United States. To enhance compliance, reporting companies should become well-versed in the CTA's requirements and consider establishing internal procedures for identifying and updating information on beneficial owners, including their boards of directors, foreign affiliates, senior officers, and those in control of the reporting company.

For additional information regarding the CTA and its reporting requirements, visit GT's [CTA Task Force](#) page.

Authors

This GT Alert was prepared by:

- [Marina Olman-Pal](#) | +1 305.579.0779 | Marina.Olman@gtlaw.com
- [Kyle R. Freeny](#) | +1 202.331.3118 | freenyk@gtlaw.com
- [Hope Adams](#) | +1 267.875.8915 | Hope.Adams@gtlaw.com
- [Claudio J. Arruda](#) | +1 305.579.0874 | arrudac@gtlaw.com
- [Tiffanie Monplaisir](#) | +1 305.579.0682 | Tiffanie.Monplaisir@gtlaw.com

Albany. Amsterdam. Atlanta. Austin. Berlin[~]. Boston. Charlotte. Chicago. Dallas. Delaware. Denver. Fort Lauderdale. Houston. Kingdom of Saudi Arabia^{*}. Las Vegas. London^{*}. Long Island. Los Angeles. Mexico City⁺. Miami. Milan[»]. Minneapolis. New Jersey. New York. Northern Virginia. Orange County. Orlando. Philadelphia. Phoenix. Portland. Sacramento. Salt Lake City. San Diego. San Francisco. São Paulo[»]. Seoul[∞]. Shanghai. Silicon Valley. Singapore[~]. Tallahassee. Tampa. Tel Aviv[^]. Tokyo[≡]. United Arab Emirates[◁]. Warsaw⁻. Washington, D.C. West Palm Beach. Westchester County.

*This Greenberg Traurig Alert is issued for informational purposes only and is not intended to be construed or used as general legal advice nor as a solicitation of any type. Please contact the author(s) or your Greenberg Traurig contact if you have questions regarding the currency of this information. The hiring of a lawyer is an important decision. Before you decide, ask for written information about the lawyer's legal qualifications and experience. Greenberg Traurig is a service mark and trade name of Greenberg Traurig, LLP and Greenberg Traurig, P.A. ~Greenberg Traurig's Berlin office is operated by Greenberg Traurig Germany, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. *Operates as a separate UK registered legal entity. «Greenberg Traurig operates in the Kingdom of Saudi Arabia through Greenberg Traurig Khalid Al-Thebity Law Firm, a professional limited liability company, licensed to practice law by the Ministry of Justice. +Greenberg Traurig's Mexico City office is operated by Greenberg Traurig, S.C., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. »Greenberg Traurig's Milan office is operated by Greenberg Traurig Santa Maria, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. »Greenberg Traurig's São Paulo office is operated by Greenberg Traurig Brazil Consultores em Direito Estrangeiro – Direito Estadunidense, incorporated in Brazil as a foreign legal consulting firm. Attorneys in the São Paulo office do not practice Brazilian law. ∞Operates as Greenberg Traurig LLP Foreign Legal Consultant Office. ~Greenberg Traurig's Singapore office is operated by Greenberg Traurig Singapore LLP which is licensed as a foreign law practice in Singapore. ^Greenberg Traurig's Tel Aviv office is a branch of Greenberg Traurig, P.A., Florida, USA. ≡Greenberg Traurig's Tokyo Office is operated by GT Tokyo Horitsu Jimusho and Greenberg Traurig Gaikokuhojimbengoshi Jimusho, affiliates of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. ◁Greenberg Traurig's United Arab Emirates office is operated by Greenberg Traurig Limited. ~Greenberg Traurig's Warsaw office is operated by GREENBERG TRAUIG Nowakowska-Zimoch Wysokiński sp.k., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. Certain partners in GREENBERG TRAUIG Nowakowska-Zimoch Wysokiński sp.k. are also shareholders in Greenberg Traurig, P.A. Images in this advertisement do not depict Greenberg Traurig attorneys, clients, staff or facilities. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. ©2024 Greenberg Traurig, LLP. All rights reserved.*