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Services

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CTA Beneficial Ownership Information (BOI) Reporting is Live

by Colson Franse and Ken Witt

The new federal Corporate Transparency Act (“CTA”) became effective on January 1, 2024, and your company may be required to report ownership information to FinCEN, the Financial Crimes Enforcement Network of the U.S. Treasury Department. FinCEN began accepting beneficial ownership reports [here](#) on January 1, 2024, and compliance deadlines are quickly approaching.

As a reminder, the CTA requires many existing and newly created companies to report extensive information – full legal name, date of birth, current residential address and a copy of such individual’s passport or other governmental identification – about their “beneficial owners” and “company applicants” to FinCEN. In order to protect themselves, beneficial owners can, as of January 1, 2024, submit their information directly to FinCEN [here](#) on a one-time basis to receive a unique FinCEN Identifier for use in future BOI reports. Reporting companies should encourage all beneficial owners to obtain FinCEN identifiers as a means of mitigating the reporting companies’ responsibilities while also protecting their beneficial owners’ personal identifiable information.

Compliance with the CTA is the responsibility of reporting companies and their senior officers. Failure to comply can result in substantial penalties, including fines of up to \$500 per day, up to \$10,000, and up to two years in prison.

The deadline for filing initial reports with FinCEN depends upon the date of formation of the reporting company. If the reporting company:

- Was in existence prior to January 1, 2024, the initial report must be filed by January 1, 2025;
- Was formed during calendar year 2024, the initial report must be filed within 90 days after the date of formation; and
- Is formed on or after January 1, 2025, the initial report must be filed within 30 days after the date of formation.

All reporting companies should be taking steps to comply with the reporting requirements by the applicable deadline.

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Reporting companies include any company or other entity that is formed by filing a document (such as a certificate of incorporation, etc.) with a secretary of state (or similar authority) unless the company is exempt, as well as non-U.S. entities registered to do business in the U.S. Our previous [Client Alert](#) provides more details on available exemptions, and our previous articles provide additional details on all things CTA, including who qualifies as a beneficial owner ([here](#), [here](#), [here](#), [here](#) and [here](#)). FinCEN also published a beneficial ownership information reporting FAQ, which can be found [here](#), and a small entity compliance guide, which can be found [here](#).

Kutak Rock is here to help clients navigate the CTA compliance process. If you have any questions about how the CTA will affect your business, please contact your Kutak Rock attorney or any member of the CTA Client Service Team listed on the left. You may also visit us at www.kutakrock.com.

