



# Get Ready: CTA's Reporting Deadline is Fast Approaching

## Client Advisories

09.09.2024

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Despite legal challenges (see our advisory [Nothing Has Changed with the Corporate Transparency Act](#)), the Corporate Transparency Act (CTA) remains in effect and the Financial Crimes Enforcement Network (FinCEN) of the U.S. Treasury Department continues to implement and enforce the CTA. As a result, companies in existence as of January 1, 2024 are required to file their beneficial ownership information (BOI) reports before January 1, 2025.

The analysis for determining whether a company is reporting or exempt and identifying its beneficial owners (which is a misnomer since it is not limited to owners) can be challenging and time-consuming, especially for a company with a complex ownership structure. Inadequate or hasty reporting heightens the likelihood of mistakes, inaccurate data, and potential non-compliance, which can result in significant civil penalties of up to \$500 per day and criminal penalties of up to \$10,000 and imprisonment for up to 2 years. As a result, now is the time to actively prepare to file the BOI report by the deadline.

A best practice is for the company to designate a person responsible to identify beneficial owners and gather the necessary information and documents to file the BOI report. For a comprehensive analysis of the CTA, see our client advisory ([Understanding Your Obligations Under the Corporate Transparency Act](#)).

Incidentally, a company formed or registered in 2024 is required to file its BOI report within 90 days of formation or registration. So, if such a company has not yet done so, it should immediately file to avoid penalties.

We can assist companies with their analysis of their reporting obligations under the CTA. If you have any questions about the Corporate Transparency Act, please contact [Gianfranco Pietrafesa](#) at [gpietrafesa@archerlaw.com](mailto:gpietrafesa@archerlaw.com) or 201-498-8559, [Zhao Li](#) at [zli@archerlaw.com](mailto:zli@archerlaw.com) or 856-673-7140, or any member of Archer's [Business Counseling Group](#).

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