

CAPABILITIES

Corporate & Transactional

CORPORATE TRANSPARENCY ACT UPDATE - IMPORTANT EXTENSION FOR CERTAIN FILERS IMPACTED BY RECENT HURRICANES

Advisory

11.4.24

The Corporate Transparency Act ("CTA") is a federal law that became effective at the beginning of this year. The CTA imposes new reporting duties on most companies and their owners. You can learn more about the CTA here: [FinCEN BOI Webpage](#). You can find our prior briefing on the CTA here: [HWH CTA Client Briefing December 2023](#).

Generally, all companies that were in existence prior to January 1, 2024, and that do not meet a narrow list of exemptions, must submit a beneficial ownership interest ("BOI") report to the U.S. Department of Treasury's Financial Crimes Enforcement Network ("FinCEN") by January 1, 2025. This requirement applies even if the reporting company is dissolved during the 2024 calendar year. However, reporting companies formed prior to January 1, 2024 that have their principal place of business in any Florida county east of Jefferson county (roughly, peninsular Florida, as shown on this [FEMA Map](#)) now have until July 1, 2025 to submit their initial BOI report.

On October 29, 2024, FinCEN announced that certain victims of Hurricanes Milton, Helene, Debby, Beryl and Francine will receive an additional six months to submit BOI reports, including updates and corrections to prior reports. Specifically, FinCEN extended the filing deadlines for reporting companies that 1) have an original reporting deadline beginning one day before the date the specified disaster began and ending 90 days after that date, and 2) have their principal place of business in an area designated both by the Federal Emergency Management Agency ("FEMA") as qualifying for individual

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or public assistance and by the Internal Revenue Service as eligible for tax filing relief.

As a reminder, for all reporting companies formed or registered during 2024, the BOI report must generally (subject to the extension above) be submitted within 90 days after the notice of formation or registration of the entity. After the initial BOI report has been filed, any change in the reported information will require an update to the BOI report, which must generally (subject to the extension above) be submitted within 30 days after the change in the reported information.

The Protect Small Business and Prevent Illicit Financial Activity Act (H. R. 5119) passed the U.S. House of Representatives last year with the purpose of extending certain reporting deadlines, but it has stalled in the U.S. Senate and no action has been taken on it yet this year.

While recent court cases have called into question whether the CTA will ultimately withstand judicial challenge in its current form, at this time, the CTA is still effective law and its requirements must be complied with. Failure to comply may result in penalties to the company and its senior officers.

Most companies will find that the process of filing BOI reports is relatively straightforward. **Hill Ward Henderson will not file any BOI report on behalf of a reporting company unless and until we have been engaged to do so in writing.** If you require assistance with filing a report or determining whether an exemption from reporting may apply, please do not hesitate to reach out to your contact at the firm or email ctacompliance@hwhlaw.com.