

ALERT

FinCEN Extends Corporate Transparency Act Filing Deadline for Certain Companies Impacted by Recent Hurricanes

November 21, 2024

The Financial Crimes Enforcement Network (FinCEN) recently announced that it will provide a six-month Corporate Transparency Act (CTA) filing extension to certain reporting companies affected by one of the five hurricanes in 2024: Milton, Helene, Debby, Beryl, and Francine.

Determination of Eligibility

To qualify for the six-month extension, a reporting company must: (1) have its principal place of business located in an area that has been designated both as qualifying for public assistance by the Federal Emergency Management Agency (FEMA) and tax filing relief by the IRS; and (2) have an original reporting deadline beginning one day before the date on which the specified disaster began and ending 90 days after that date.

Determination of Extended Deadlines

Because initial CTA reporting deadlines vary, new, extended deadlines must be calculated on a case-by-case basis. As discussed in our previous client alert here, companies created or registered to do business prior to January 1, 2024, must file their initial beneficial ownership information report (BOIR) by January 1, 2025. However, companies created in 2024 or later years are subject to 90 or 30-day filing deadlines (respectively) based on the date of creation or initial registration.

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Practice Areas

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Practical Implications of CTA Reporting Relief

As a best practice, reporting companies affected by recent hurricanes, regardless of whether they qualify under the criteria above, should maintain contemporaneous documentation regarding both: (1) efforts to comply with the entity's reporting obligations; and (2) any impacts on the reporting company's operations and administrative functions either by the storms and/or any other circumstances beyond their control. Furthermore, since FinCEN is likely to continue granting relief to reporting companies impacted by natural disasters, reporting companies should periodically check FinCEN's updated guidance to determine whether they are eligible for such relief.

Wiley's White Collar Defense & Government Investigations and Corporate practices have unparalleled capabilities and experience in helping clients navigate an increasingly complex regulatory landscape, including corporate governance and transactional matters, and compliance with federal and state requirements.

If your organization has been impacted by any of the recent storms, please contact your Wiley lawyer for a wide range of practical, strategic, and regulatory compliance matters where we can assist.