

# The Corporate Transparency Act

## *Upcoming Deadline for Beneficial Ownership Information Reports Under the Corporate Transparency Act*

Effective January 1, 2024, the Corporate Transparency Act (the "Act") requires many U.S. businesses to disclose information regarding their beneficial owners. Failure to comply with the Act can result in significant civil and criminal penalties, including fines of up to \$500 per day and imprisonment for up to two years.

Entities in existence before January 1, 2024, must [file](#) their Beneficial Ownership Information (BOI) Reports with the Financial Crimes Enforcement Network (FinCEN) **no later than December 31, 2024**.

Entities formed on or after January 1, 2024, have different deadlines: they must submit their reports within 90 days of formation, and for entities formed after December 31, 2024, the required information must be reported within 30 days.

## Constitutional Challenges to the Corporate Transparency Act

The U.S. Federal District Court for the District of Oregon recently denied a motion for preliminary judgment on the constitutionality of the Act, stating that the Act was "likely" constitutional. Additionally, oral arguments were held on September 27th in the 11th Circuit regarding the Alabama District Court's prior ruling that the Act was unconstitutional. Legal experts are predicting that the 11th Circuit will either reverse the District Court's decision or remand the case for further proceedings.

While these cases are ongoing, businesses are still required to comply with the Act's reporting obligations by the upcoming deadlines, regardless of these constitutional challenges. It is essential to ensure that your business is in compliance to avoid potential penalties.

## Filing Process and Assistance

While the BOI Report can be filed free of charge [online](#), and in many cases may be completed without legal assistance, we are available to help should you prefer to have our firm manage the filing. We can also assist you in determining if your business qualifies for an exemption.



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## Exemptions

Certain businesses, including “large operating companies,” may be exempt from filing a BOI Report. A large operating company is defined as an entity that:

- Has a physical presence in the U.S.;
- Employs at least 20 full-time employees; and
- Reports gross receipts or sales exceeding \$5 million on its most recent federal income tax return.

If your company might qualify for this or another exemption, our team is ready to help review and confirm your eligibility.

## Our Services

For companies with two or fewer owners, we are offering flat-fee services that include determining your reporting obligations and assisting with filings. For entities with multiple owners or multiple companies, we are happy to discuss customized fee arrangements.

Should you have any questions about your obligations under the Act or need assistance with BOI filings, please contact us at your earliest convenience.

For additional information on the Act, or to proceed with your own filings, please visit the [FinCEN website](#).



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