

Corporate Transparency Act: New Reporting Rules for Dissolved and Merged Companies

By **Stacey A. Dettwiller**

On January 1, 2024, federal law called the Corporate Transparency Act (“CTA”) took effect. The CTA aims to prevent money laundering, tax fraud, and other illegal activity by requiring companies to report basic identifying information and certain details about individuals with ownership and control. Each entity must provide the necessary information using the online portal created by the Financial Crimes Enforcement Network (“FinCEN”). Failure to comply with the CTA’s reporting requirements may result in significant fines and even imprisonment.

Companies in existence prior to January 1, 2024, have until January 1, 2025, to file their initial beneficial ownership interest (“BOI”) reports. Companies in existence on or after January 1, 2024, have 90 days to file their initial BOI reports. After January 1, 2025, all new companies will have 30 days to file their initial BOI reports.

But what about companies that are no longer in existence?

On July 8, 2024, FinCEN released new guidance that companies that were formally “dissolved,” ceased to exist, before January 1, 2024, are not required to file an initial BOI report; however, companies dissolved on or after January 1, 2024, must still file an initial BOI report, despite the fact that they are no longer in existence. This means that all dissolved companies must now determine whether their initial BOI report was ever filed and, if not, whether they should now file the BOI report before the applicable filing deadline.

Additionally, companies that have merged out of existence should also be prepared to undergo similar analysis, as this new guidance raises the question of whether such companies will be required to file separate BOI reports as well.

Roetzel’s corporate, tax and estate planning attorneys will continue monitoring developments related to the CTA closely and are prepared to assist with reporting, navigating BOSS, determining eligibility for exemptions, and other questions you may have. Please reach out to our attorneys for further information.

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