



New Corporate Transparency Act (CTA) means busy 2024 kick-off for business attorneys tasked with client compliance

Estimated 32 million entities need to register by 12/31/24

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Birmingham, Mich.---January 12, 2024 – For full-service business law firms like Birmingham, Michigan-based corporate law firm Williams Williams Rattner & Plunkett, 2024 is off to a busy start in light of the Corporate Transparency Act (CTA), according to WWRP Managing Partner John W. Crowe.

CTA took effect January 1, 2024, following its 2021 enactment and requires reporting companies in the United States to disclose to the Treasury Department’s Financial Crimes Enforcement Network (FinCEN) the names of individuals who own or control a company operating in the U.S. market. The goal of identifying these “beneficial owners” is to obtain information and increased transparency to fight tax fraud, money laundering and other nefarious financial dealings by gaining information on an estimated 32 million entities.

“It’s a monumental undertaking for the government to track these companies. Some impacted business owners may see it as one more barrier to doing business without government interference and over-regulation, while others welcome a crackdown on the perceived ease with which tainted money can flow in and out of the U.S.,” Crowe said. “I think there was a hope by many owners of these small entities that the Act would die before its effective date – but, despite some current litigation opposing it, here we are,” Crowe said, adding that his firm’s client base alone has about 2,000 companies impacted by CTA, including limited liability companies, corporations, and certain partnerships.

Companies in existence prior to 2024 must register by the end of the year. Entities covered by the CTA that are created in 2024 must register within 90 days of creation. There are civil and criminal penalties for non-compliance, as well as up to two years’ imprisonment. The firm’s clients are being contacted and advised on the appropriate action plan this week.

“What’s unique about the CTA is that it effectively targets small companies and exempts larger ones; most corporate regulations are just the opposite,” Crowe said. “Still, it’s a one-time registration event and while there’s always an education process on when, why and how certain forms need to be filed - regardless of their simplicity or complexity - the CTA is likely to become yet another part of the process of establishing or affirming a particular type of entity.”

About Williams Williams Rattner & Plunkett

Williams Williams Rattner & Plunkett is a corporate law firm comprised of trusted attorneys, counselors and litigators committed to our clients’ success. Practice areas include business and commercial law, mergers and acquisitions, real estate including zoning, property tax appeals

and eminent domain, commercial litigation, trusts and estates, divorce, and family law matters. A leader in local and state bar activities, community organizations, and charitable endeavors, Williams Williams Rattner & Plunkett understands the role attorneys play in a dynamic business environment, and as members of a vibrant community. Learn more about the firm and its commitment to exceptional client service at www.WWRPLaw.com.

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