

Gabor Szecsi in Corporate Compliance Insights: Corporate Transparency Act

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Haynes Boone Attorney **Gabor Szecsi** authored an article in *Corporate Compliance Insights* about the Corporate Transparency Act and how the new federal regulations could impact small companies. Read an excerpt below:

The 2021 Corporate Transparency Act included new reporting requirements that represent the most significant change in the formation of corporations in decades, and while it's clear that the White House intends to use FinCEN regulations as part of its anti-financial crime pursuits, it may not be clear what that means for small companies.

In January 2021, Congress enacted the Corporate Transparency Act (CTA), as [part of](#) the National Defense Authorization Act (NDAA) and Anti-Money Laundering Act of 2020. The CTA requires legal entities to register with FinCEN and disclose their ultimate beneficial owners.

The CTA requires disclosure of the beneficial owners of corporations, limited liability companies (LLCs) or other business entities. Congress believes that wrongdoers may have used the legal entities to their benefits in the past to exploit American corporations for criminal gain. The CTA is intended to assist law enforcement in detecting, preventing and punishing terrorism, money laundering and other misconduct that involves U.S. corporations.

Beginning Jan. 1, 2024, barring an applicable exemption, all existing and newly formed companies will be subject to a new reporting obligation imposed by the CTA.

Excerpted from *Corporate Compliance Insights*. To read the full article, click [here](#).