



Corporate Transparency Act Effective January 1, 2024

On January 1, 2024, the Corporate Transparency act will be effective. This new law, intended to combat financial crimes and money laundering, requires that some law firms, as well as some law firm clients, file a report disclosing the beneficial owners of the organization to the US Department of the Treasury.

In order to assist you in analyzing the effect of the act, and what it might mean to you and your clients, check out these [resources compiled by McDermott Will & Emery](#). Note that most law firms, especially smaller firms that do not qualify for the list of exemptions in the law, will be required to report to the DoT. In summary, the law does not require reporting from firms (and clients) that employ more than 20 employees on a full-time basis in the United States and that filed in the previous year Federal income tax returns in the United States demonstrating more than \$5,000,000 in gross receipts or sales.

If your firm or client does not meet the exemptions list, then for each Beneficial Owner, the following information must be disclosed:

- Full legal name;
- Date of birth;
- Current residential or business address; and
- A unique identifying number from an acceptable identification document (passport, driver's license or other government issued identification document) or a FinCEN identifier.

Note that this is just a summary of the law; you should review the language of the law itself to ensure compliance.

Have a risk management or ethics questions? We're here to help. To obtain a consultation, you should log in to [Attorneys Risk Management](#), and click on the "Request a Risk Management Consultation" button.



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