

LML Tax & Accounting Services, LLC

Lydia M. Lesser, CPA

2195 Skyline Drive

Bethlehem, PA 18015

LYDIA@LMLCPASERVICES.COM

610-222-6167

Corporate Transparency Act

We hope this message finds you well. At LML Tax & Accounting Services, we believe in keeping our clients informed about crucial developments that may have an impact on the business landscape. Today, we bring to your attention the recently enacted Corporate Transparency Act (CTA) and its potential implications for your business.

What is the Corporate Transparency Act? - The Corporate Transparency Act is a significant legislative milestone aimed at enhancing corporate transparency and preventing the misuse of anonymous shell companies for illicit activities. The Act mandates certain reporting requirements for businesses to disclose beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN). While this can sound intimidating this is merely an information reporting form.

Ownership items needed to complete your CTA reporting:

___ Full Legal Name ___ Date of Birth ___ Home Address ___ Copy of Driver License

All the above information will be needed for any **Beneficial Owner** of the company. A beneficial owner is anyone who owns 25% or more of the company as well as officers, board members, and non-owner managers.

Penalties – In order to ensure compliance with the reporting requirements the Financial Crimes Enforcement Network (FinCen) has enforced penalties of up to \$500 per day late and up to 2 years in prison.

Important Dates:

- **Business formed before 12/31/23** – If your business was formed before 12/31/23 you have until December 31, 2024, to complete the required reporting.
- **Business formed 1/1/24 and after** - If your business was formed in 2024 you have 90 days from the day you receive public notice of the formation of your business.
- **Updates** – Any update to the information listed on the report needs to be done within 30 days.

Inactive/ Old LLC's – Now is the time to close out any old or inactive LLCs to avoid potential penalties to avoid penalties.

Completing the Report:

As this report is subject to monitoring by the Financial Crimes Enforcement Network (FinCen), it falls outside the legal purview of a CPA and is deemed a legal practice. Until further clarification designates it within the CPA's scope, we regret to inform you that we cannot proceed with completing these forms. We recommend consulting with your attorney for assistance in filing the form.