

Niles Elber Comments on New Corporate Transparency Act Rules in Accounting Today

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The new beneficial ownership disclosure rules, mandated by the Corporate Transparency Act, will have an immediate impact on new businesses formed after the start of the year. Along with other Treasury requirements, the penalty for failure to comply is severe. And while small businesses are often favored in other regulations with a small-business exception, in this case the exception favors large businesses.

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People who regularly interact with financial professionals will likely be advised as to the requirements, but there will be a large number of companies that won't know they have to comply, according to Niles Elber, a Member at law firm Caplin & Drysdale.

"Many businesses just off the shelf don't want to pay for a lawyer or CPA," he remarked. "If someone at our firm does work for a client, of course we will make sure that clients are in compliance. But there will be untold numbers who don't have regular interaction with professionals and have never heard of the CTA. There will be people who miss their obligation almost from the get-go. It's at least as impactful as FBAR, because not that many have foreign accounts, but a huge number of small businesses will be required to comply."

For the full article, please visit *Accounting Today's* website (subscription required).

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