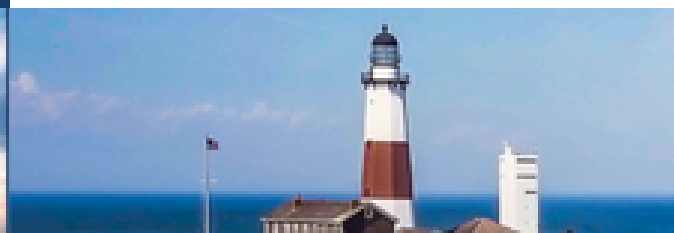


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LLCs Beware: Additional Reporting Obligations for Limited Liability Companies in New York

Last week, Governor Hochul signed the LLC Transparency Act (Legislation S.995B/A.3484) into law. Legislation S.995B/A.3484 creates a limited liability company ("LLC") beneficial ownership database that can be accessed by federal, state and local government law enforcement across New York State. The law will go into effect towards the end of 2024 and beneficial ownership reports will be required to be filed with the New York State Department of State sometime thereafter. Additional information, including filing process and reporting deadlines, is expected from the state in the coming months.

Unlike the Corporate Transparency Act ("CTA"), a federal law in effect as of January 1, 2024 (which you can learn more about [here](#)), the disclosure requirements of the LLC Transparency Act apply only to limited liability companies organized under New York law or doing business in the state – not corporations, LLPs or other entity types. Notably, in a departure from the original legislation proposed and passed by the New York State Senate, which contemplated a public database – including personal names and business address of each beneficial owner – akin to the CTA, New York's database will not be open to the public. The obligation for LLC principals to file beneficial ownership reports with the New York State Department of State is a separate reporting obligation to FinCEN's CTA reporting obligation.

RMF continues to monitor state and federal updates and will provide updates as they become available. If you have any questions or would like to discuss how this applies to your business, please contact:

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