

Company Law Alert: Part 2--New Rules in **New York** for Reporting Beneficial Ownership of Limited Liability Companies

02.12.2024 By [Simon Gerson](#)



On December 23, 2023, New York Governor Hochul signed into law the LLC Transparency Act (the “Act”), which amends the Limited Liability Law to require disclosure of the “beneficial owners” of NY-formed limited liability companies and limited liability companies organized outside of NY authorized to transact business in the state. The Act is not applicable to corporations or limited partnerships.

The Act adopts the definitions of “beneficial ownership,” “initial report,” “reporting company,” and “exempt company” set forth in the federal Corporate Transparency Act (“CTA”) enacted in 2021 and the related regulations.

Effective one (1) year from the Act becoming law, i.e., December 22, 2024, the formation of a limited liability company will require not only the filing of Articles of Organization, but also a report signed by a member or manager setting forth the beneficial ownership interests (“BOI”) in the company. The form of Initial Report that is currently required under the CTA may be used to satisfy the BOI reporting requirements.

In contrast to the requirements under the CTA, if an LLC meets the CTA definition of an “exempt company”, then under the Act the Articles of Organization will need to include a signed statement from a member or manager of the company identifying the specific CTA exemption applicable.

All limited liability companies formed on or before the effective date of the Act must file by no later than January 1, 2025 either: (a) an initial report of BOI, if qualifying as a “reporting company,” which may be the same initial report filed under the CTA; or (b) if exempt, a signed statement by a member or manager describing the applicable exemption claimed.

As with BOI data submitted under the CTA, the personal or identifying information of beneficial owners will be confidential, accessible only by law enforcement agencies or pursuant to court order.

Similar requirements are set out in the Act for limited liability companies organized outside of NY state, filing an application for authority to transact business in-state under the New York Limited Liability Law.

Author's Note: [Company Law Alert Part 1 \(New **Federal** Rules for Reporting Beneficial Ownership of Entities\)](#) was published one week ago.

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Simon has more than 30 years of experience counseling and attending to the varied commercial and corporate needs of established privately-held businesses and their principals.