

CLIENT ALERT



New York's LLC Transparency Act Goes into Effect January 1, 2026

AUGUST 6, 2025

On December 23, 2023, New York Governor Kathy Hochul signed the LLC Transparency Act into law, with a chapter amendment to be approved by the New York State Legislature. The chapter amendment was later approved, and on March 1, 2024, Governor Hochul signed the amended LLC Transparency Act (the Act) into law. The Act takes effect on January 1, 2026, and requires all limited liability companies (LLCs) formed in New York State or qualified to do business in New York State to file a beneficial ownership disclosure or attestation of exemption with the New York Department of State (the New York Department).

INFORMATION REQUIRED

The Act borrows beneficial ownership reporting concepts from the federal Corporate Transparency Act (CTA) and related U.S. Department of the Treasury Financial Crimes Enforcement Network (FinCEN) regulations. An individual is a “beneficial owner” under the Act if he or she is a beneficial owner under the CTA.^[1] Each beneficial owner must be identified by their full legal name, date of birth, home or business street address, and certain unique information from an unexpired (a) passport; (b) state driver’s license; or (c) identification card or document issued by a state or local government agency or tribal authority for the purpose of identification of that individual.

Similarly, an entity is a “reporting company” under the Act if it is a reporting company under the CTA.^[2] However, the Act’s definition of “reporting company” is narrowed to include only LLCs. LLCs exempt from the definition of “reporting company” must file an attestation of exemption with the New York Department, including the specific exemption claimed and the facts on which such exemption is based.

Beneficial ownership information will be maintained in a secure database, not to be disclosed by the New York Department except under limited circumstances.

REPORTING DEADLINES

Each reporting company or exempt entity formed or authorized to do business in New York *before* January 1, 2026, must file its beneficial ownership disclosure or attestation of exemption with the New York Department no later than January 1, 2027.

Each reporting company or exempt entity formed or authorized to do business in New York *after* January 1, 2026, must file its beneficial ownership disclosure or attestation of exemption no later than 30 days after the initial filing of its articles of organization or application for authority to do business in New York.

ONGOING REQUIREMENTS

Each reporting company or exempt entity must file an annual statement with the New York Department confirming or updating: (1) its beneficial ownership disclosure information or its attestation of exemption (as applicable); (2) the street address of its principal executive office; and (3) other information as may be designated by the New York Department in the future.

PENALTIES

A reporting company or exempt entity that fails to file or update its beneficial ownership disclosure or attestation of exemption for more than 30 days will be shown to be “past due” on the records of the New York Department. A reporting company or exempt entity that fails to file or update its beneficial ownership disclosure or attestation of exemption for more than two years will be shown to be “delinquent” on the records of the New York Department. Delinquent companies may be fined \$250 for failure to file, plus up to \$500 a day while the delinquency is ongoing. The New York Attorney General may also bring an action to suspend, cancel, or dissolve a delinquent company.

FUTURE DEVELOPMENTS

FinCEN published an interim final rule on March 26, 2025, that revised the definition of “reporting company” in its regulations implementing the CTA to mean only *foreign* reporting companies. FinCEN also formally exempted domestic reporting companies from the CTA’s reporting requirements. In June, the New York State Senate, in recognition of the changed CTA landscape, introduced and passed S. 8432, which seeks to remove the Act’s references to the CTA in favor of “statutory definitions from federal law in order to inoculate the [Act] from shifting federal guidelines or attempts to repeal the CTA.”^[3] The New York State Assembly passed S. 8432 shortly thereafter, though the New York State Legislature has since recessed. All bills not passed this year will remain live, and the next session is scheduled to begin in January 2026.

Stay tuned, and please reach out to any of the [Winston CTA Task Force attorneys](#) with any questions.

[1] Per the CTA, a beneficial owner is any individual who, directly or indirectly, either:

- exercises “substantial control” over the reporting company; or
- owns or controls 25% or more of the “ownership interests” of the reporting company.

[2] Per the CTA, a reporting company is any nonexempt entity that is:

- created by the filing of a document with a secretary of state or a similar office under the law of a state or Indian tribe (“domestic reporting company”); or
- formed under the law of a foreign country and registered to do business in the United States by the filing of a document with a secretary of state or a similar office under the laws of a state or Indian tribe (“foreign reporting company”).

[3] [S. 8432](#) (N.Y. 2025) (Sponsor Memo).

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