

Giannoulas Alerts Businesses About New Federal Reporting Requirement

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SPRINGFIELD - A new federal law that took effect on Jan. 1 will impact many Illinois small business owners and companies by requiring they report more information to the federal government, Illinois Secretary of State Alexi Giannoulas announced.

The Corporate Transparency Act (CTA) was enacted to establish and maintain a national registry of beneficial owners of entities that are otherwise not subject to disclosure regulations to prevent money laundering, corrupt financial institutions, and financial terrorism.

The CTA will affect small businesses, corporations, or other domestic or foreign entities like LLPs or LLCs that file documents with the Illinois Secretary of State's office.

Those businesses are now required to disclose the entity's beneficial owners – individuals who own or control the company – to the Financial Crimes Enforcement Network (FinCEN), a bureau within the U.S. Treasury. The CTA defines beneficial owners as shareholders who own 25 percent or more of a reporting company and individuals with “substantial control,” over a business.

The CTA requires businesses registered prior to January 1, 2024 to file a Beneficial Ownership Information (BOI) report by January 1, 2025. Businesses formed and registered with the Illinois Secretary of State's Department of Business Services in 2024 are required to file a BOI report within 90 calendar days of creation and businesses registered in or after 2025 will have 30 calendar days to file.

“Small businesses serve as essential economic engines for both local economies and the state, providing jobs and opportunities and putting money back into their communities through paychecks and taxes so it's critical that we support them,” Giannoulas said. “These new requirements will help guard against corruption and illicit activities but will increase the reporting frequency and result in steeper than normal taxpayer penalties, making awareness even more critical.”

“The Illinois Chamber is supportive of the Secretary of State's efforts to inform the business community about the new CTA requirements” said Lou Sandoval, President and CEO of the Illinois Chamber of Commerce. “We look forward to working with all of our affiliate chambers around the state to create awareness and compliance of the submission process.”

To assist Illinois businesses, the Department of Business Services will mail notices out to all registered businesses about the new requirement throughout the year and providing information to new business owners upon registration.

Giannoulas' office has also established a partnership with the Illinois Department of Commerce and Economic Opportunity's (DCEO) Small Business Development Centers (SBDCs) to provide free training and assistance to businesses across the state. The Secretary of State's office also plans co-host quarterly informational webinars with the U.S. Treasury Department starting in February.

Unless included in FinCEN's list of [23 exemptions](#), all domestic and foreign corporations, limited liability companies, and other business entities are required to submit BOI reports. More information on BOI, including how to file and FAQs, can be found on FinCEN's website.