Articles + Publications | August 19, 2026

From Broad to Barely There: The NYLTA's Dramatic Scope Reduction

WRITTEN BY

Ryan Last | Edward M. Nogay | Steven Khadavi

KEY POINTS

- The New York Limited Liability Company Transparency Act (NYLTA), effective January 1, 2026, applies exclusively to LLCs formed under the laws of a foreign country that are authorized to do business in New York — all U.S.-formed LLCs are exempt from its beneficial ownership information (BOI) reporting requirements.
- Foreign LLCs authorized to do business in New York before January 1, 2026, must file an initial BOI Disclosure Report or Attestation of Exemption by December 31, 2026; those authorized on or after January 1, 2026, must file within 30 days of their application for authority.
- A "beneficial owner" under the NYLTA is a natural person who owns at least 25% of a reporting company's ownership interests or exercises substantial control over it; FinCEN identifier numbers may not be used in place of the required identifying information for Department of State filings.
- Failure to comply with NYLTA filing requirements may result in "past due" or "suspended" status, fines of up to $500 per day assessed by the New York Attorney General (AG), and potential dissolution of the LLC.
- Because the NYLTA incorporates Corporate Transparency Act (CTA) definitions by reference, future New York legislation decoupling the NYLTA from the CTA — or new federal rulemaking — could expand the statute's scope to include U.S.-formed LLCs.

The New York Limited Liability Company Transparency Act (NYLTA) took effect on January 1, 2026. We previously wrote about the NYLTA when it was first introduced and when it was subsequently repealed and reintroduced. A combination of federal regulatory developments and Governor Kathy Hochul's December 2025 veto of a proposed state amendment have substantially narrowed the statute's scope. Only nonexempt LLCs formed under the laws of a foreign country that are authorized to do business in New York are now subject to its beneficial ownership information (BOI) reporting requirements. All LLCs formed under the laws of any U.S. state or territory are exempt from reporting under the NYLTA as it currently stands.

WHO MUST FILE

Under the NYLTA, a "reporting company" is a nonexempt LLC formed under the laws of a foreign country that is authorized to do business in New York state.

Reporting companies must file either a BOI Disclosure Report or an Attestation of Exemption with the Department of State (DOS). Even foreign LLCs that qualify for an exemption are not required to file a full BOI disclosure, but are still required to file an initial and annual Attestation of Exemption. It currently remains unclear which types of foreign entities qualify as "limited liability companies" for NYLTA purposes, as many jurisdictions recognize various forms of limited liability business entities and the NYLTA provides no interpretive guidance on this question.

The NYLTA incorporates the same 23 exemption categories as the federal Corporate Transparency Act (CTA), covering entities such as securities reporting issuers registered under the Securities Exchange Act of 1934, banking organizations, insurance companies, and tax-exempt entities registered with the IRS.

WHAT BOI MUST BE REPORTED

For nonexempt reporting companies, the BOI disclosure must identify each beneficial owner and applicant. The DOS requires the following information for each reportable individual: (1) full legal name; (2) date of birth; (3) current home or business street address; and (4) a unique identifying number from one of the following: (i) an unexpired passport; (ii) an unexpired state driver's license; or (iii) an unexpired identification card or document issued by a state or local government agency or tribal authority for the purpose of identifying that individual.

Financial Crimes Enforcement Network (FinCEN) identifier numbers may not be used in place of this information for DOS filings — there is no FinCEN ID equivalent under the NYLTA.

BENEFICIAL OWNERS: WHO MUST BE IDENTIFIED

A "beneficial owner" is an individual who either (1) owns, directly or indirectly, at least 25% of the ownership interests of the reporting company, or (2) exercises "substantial control" over the reporting company. Beneficial owners must be natural persons — trusts, corporations, and other entities are not beneficial owners, and reporting the names of such entities does not satisfy disclosure requirements. Where a beneficial owner is itself an entity, the reporting company must identify the individual natural persons who are beneficial owners of that controlling entity.

An individual exercises substantial control if that person meets any of the following nonexclusive criteria: the individual is a managing member or senior officer; the individual has authority to appoint or remove officers or members of the reporting company; the individual is an important decision-maker for the company's business, finances, or structure; or the individual has any other form of substantial control over the reporting company.

Reporting companies are not required to include beneficial ownership information for owners who are U.S. persons, including citizens of Puerto Rico or other U.S. territories. The DOS has not yet clarified whether a reporting company whose beneficial owners are all U.S. persons must file an Attestation of Exemption in lieu of a BOI disclosure.

There are five categories of individuals excluded from beneficial owner status under the NYLTA. When an individual qualifies for one of these exceptions, the reporting company does not need to report that individual, though all other nonexempt beneficial owners must still be reported. The five exceptions are: (i) minor children, provided a parent or legal guardian's information is reported in lieu of the minor's; (ii) nominees, intermediaries, custodians, or agents acting on behalf of another individual; (iii) employees whose control over or economic benefits from the entity derive solely from their employment status and who are not senior officers; (iv) individuals whose only interest in the entity is through a right of inheritance; and (v) creditors whose only interest arises through a right to a predetermined sum of money.

APPLICANTS

An “applicant” is the individual who directly files the document that first registers the foreign reporting company with the DOS. Where more than one individual is involved in the filing, the applicant is the individual primarily responsible for directing or controlling the filing. There is currently no DOS guidance on whether a reporting company must continue to report information for applicants who are no longer employed by the company.

FILING DEADLINES

Non-U.S. LLCs that were authorized to do business in New York before January 1, 2026, must file their initial BOI disclosure or Attestation of Exemption by December 31, 2026. Non-U.S. LLCs authorized to do business in New York on or after January 1, 2026, must file within 30 days of their application for authority. All reporting and exempt companies must thereafter file annually, and must also file promptly whenever a change in status or beneficial ownership occurs.

HOW TO FILE

The DOS published filing instructions, forms, FAQs, and a Small Business Beneficial Ownership Disclosure Compliance Guide on its Beneficial Ownership Disclosure webpage on December 31, 2025. Filings may only be made electronically through the DOS’s secure filing system. A PDF version of both the Initial Beneficial Ownership Disclosure Report and the Initial Attestation of Exemption Form is currently available for download on the DOS website. Completed forms, together with the credit card authorization form for the nonrefundable $25 statutory filing fee, must be submitted by email to dosCorpBOI@dos.ny.gov. Do not submit filings by mail or fax given the confidential nature of the information. An online submission portal has been announced as coming soon; filers should monitor the DOS website for updates on its availability. Any individual authorized by the foreign LLC to act on its behalf — including an employee, owner, or third-party service provider — may file on the company’s behalf and must certify that the information provided is true, correct, and complete.

BOI submitted to the DOS is maintained in a secure database and is not subject to public disclosure under New York’s Freedom of Information Law. The DOS may disclose BOI for a valid law enforcement purpose, pursuant to a court order, or to officers or employees of a federal, state, or local government agency where disclosure is necessary for the agency to perform its official duties as required by law. A beneficial owner may also provide written consent authorizing access to their information.

PENALTIES FOR NONCOMPLIANCE

The NYLTA imposes escalating consequences for failure to file. An entity that fails to file within 30 days of an applicable deadline will be marked “past due” in the DOS’s records and public database. The DOS will provide notice to companies that have failed to file; if the entity does not cure the deficiency within 30 days of that notice, its status will be changed to “suspended.” Suspended entities are prohibited from conducting business in New York until the required filing is submitted and all filing fees, a $250 fine to the DOS, and any fines assessed by the New York attorney general (AG) have been paid.

An entity that fails to file for two consecutive years will be designated “delinquent.” The New York AG may assess a fine of up to $500 per day for each day a company is past due or delinquent, and may bring an action to dissolve or cancel a delinquent LLC. A “past due” or “delinquent” designation may be removed by filing the current statement and paying the $250 fine and any outstanding AG fines. Knowingly providing or attempting to provide false or fraudulent BOI may result in civil penalties and criminal prosecution under LLCL Section 1108(c) and Penal Law Sections 175.30 and 175.35.

WHAT TO WATCH FOR

The legal landscape surrounding the NYLTA continues to evolve. The New York Legislature could pass new legislation decoupling the NYLTA from CTA definitions, which would restore broader reporting obligations for U.S.-formed LLCs. The DOS may also issue additional regulations and guidance clarifying remaining ambiguities in the statute, particularly on questions such as which foreign business entity types qualify as “LLCs” for NYLTA purposes and what obligations, if any, apply to reporting companies whose beneficial owners are all U.S. persons.

At the federal level, because the CTA remains in federal law as a statute, a future administration could theoretically reimpose reporting requirements through new rulemaking, though doing so would face significant political and legal resistance.

RECOMMENDED ACTION STEPS

Companies should begin by confirming whether they are subject to the NYLTA by determining whether their LLC was formed under the laws of a foreign country and is authorized to do business in New York. If so, they should next determine whether any of the 23 exemptions apply. Non-exempt foreign LLCs must file a BOI Disclosure Report identifying all nonexempt beneficial owners and the applicable applicant. Foreign LLCs that would otherwise be required to file may also consider forming a wholly owned U.S. subsidiary LLC to serve as the entity authorized to conduct business in New York, as that subsidiary would itself be exempt from NYLTA reporting.

For more information about NYLTA compliance and BOI reporting requirements, please contact **Ryan Last**, **Eddie M. Nogay**, or **Steven Khadavi**.

RELATED INDUSTRIES + PRACTICES

- Anti-Money Laundering
- Banking + Financial Services Regulation
- Corporate
- Corporate Transparency Act
- Digital Assets + Blockchain
- Financial Services
- International
- Private Equity
- Private Wealth Management
- Real Estate
- White Collar Litigation + Investigations