

# New York LLC Transparency Act Enacted

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The New York LLC Transparency Act (NYLTA) was signed into law on December 22, 2023. Upon effectiveness on January 1, 2025, all limited liability companies (LLC) that are either formed under New York law or are seeking authority to do business in New York, will be required to disclose, among other information, the identities of their beneficial owners to the NY Department of State, unless a reporting exemption applies. Such beneficial ownership information will be compiled into an internal database maintained by the NY Secretary of State, which will be accessible to federal, state, and local government agencies and law enforcement across New York state, but will not be shared publicly.

The NYLTA is modeled after the federal Corporate Transparency Act (CTA), which was enacted in 2021 and became effective on January 1. Unlike the CTA, however, the NYLTA only applies to LLCs and not to other types of entities. The NYLTA adopts the same standards and requires the same information to be reported to the NY Department of State as under the CTA. For example, the definitions of the terms “beneficial owner,” “reporting company,” and “exempt company” under the NYLTA cross-reference to the equivalent definitions under the CTA. The NYLTA also adheres to the same 23 exemptions from the reporting requirements that are utilized under the CTA. However, the NYLTA goes a step further by requiring companies availing themselves of a reporting exemption to submit a statement, signed by a member or manager of the LLC, indicating the exemption relied upon. LLCs that will be making CTA filings will be permitted to file the same form with the NY Department of State. For additional information regarding the CTA and the Financial Crimes Enforcement Network’s regulations implementing the CTA’s reporting requirements, please refer to our publications dated [January 11, 2021](#), [December 2, 2022](#), [September 19, 2023](#), and [November 15, 2023](#).

The enactment of the NYLTA marks a significant step toward enhancing transparency and curbing illegal activities involving LLCs in New York. The NYLTA is also a significant victory for New York’s real estate professionals, who feared that a public database could deter privacy-conscious buyers from purchasing homes in the state. As the NYLTA takes effect, we encourage all New York LLCs and foreign LLCs seeking authorization to operate in New York to familiarize themselves with these new reporting requirements.

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