

Insights

REVAMPED NEW YORK LLC TRANSPARENCY LAW CLEARS LEGISLATURE, AWAITING DELIVERY TO GOVERNOR FOR SIGNATURE

IF SIGNED INTO LAW, LLCs DOING BUSINESS IN NEW YORK WILL BE SUBJECT TO THE MOST COMPREHENSIVE BENEFICIAL OWNERSHIP DISCLOSURE REQUIREMENTS OF ANY JURISDICTION IN THE UNITED STATES

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Earlier this year, we published an article in [Bloomberg Law](#) analyzing how the [March 2025 interim rule changes](#) to the Corporate Transparency Act (“CTA”)—which narrowed the CTA’s application to foreign entities and non-U.S. persons—could significantly impact the implementation and effectiveness of a [state version of the CTA](#), the New York Limited Liability Company Transparency Act (the “NYLTA”). The NYLTA incorporates certain definitions from the federal CTA, including the definition of “beneficial owner” and “reporting company.” We proposed that without further amendment to the NYLTA, the federal changes to these definitions would likely mean that only foreign LLCs registered to do business in New York would have to comply with the NYLTA, which substantially limited the scope of the law, and we questioned whether New York lawmakers would clarify or expand the definition of reporting companies to include entities that were previously covered when the law was initially enacted.

The New York Legislature answered our question. Both chambers passed [New York State Assembly Bill No. A08662A](#) and [New York State Senate Bill 2025-S8432](#), legislation that fundamentally restructures the NYLTA’s relationship to federal law. As of November 5, 2025, the bill has not yet been submitted to, or signed into law by, the governor. If enacted, the amendments would establish one of the most expansive beneficial ownership disclosure regimes in the country, creating significant compliance obligations for businesses operating in New York.

FEDERAL CHANGES PROMPT STATE-LEVEL RESPONSE

As of the date of this article, the NYLTA adopts definitions by direct reference to federal statute and regulations. However, in March 2025, federal authorities announced that the CTA would no longer be enforced against U.S. entities and U.S. beneficial owners. As a result, unless or until S8432/A8662-A is signed into law, the NYLTA, in its current form, would (upon taking effect on

January 1, 2026) apply only to foreign-owned entities operating in New York and their non-U.S. beneficial owners.

Starting January 1, 2026, the NYLTA mandates that certain limited liability companies submit beneficial ownership information (BOI) to the New York State Department of State. Early supporters of the CTA and the NYLTA emphasized that the laws were designed to combat money laundering and other illicit activity by requiring transparency around entity ownership. When Governor Kathy Hochul signed the NYLTA in December 2023, she highlighted its role in addressing wage theft, tenant mistreatment, and other unlawful conduct. The recent federal enforcement changes affected these objectives at the state level.

KEY DEFINITIONS REDEFINED — IF ENACTED

The newly passed bill updates core definitions in the NYLTA, including “beneficial owner,” “reporting company,” and “exempt company.” Rather than referencing current federal law and regulations, the bill adopts language from the original CTA statute. Although described by the sponsor as a technical fix, the changes would (if signed into law) significantly expand the scope of entities subject to reporting under the NYLTA, beyond those currently covered by federal standards.

By decoupling from federal regulations and instead adopting the original CTA statutory language directly into New York law, the Legislature allows the NYLTA to operate independently of federal enforcement decisions. This means that even if the federal government continues to limit CTA enforcement or attempts to repeal the law entirely, New York will maintain robust disclosure requirements for certain entities doing business in the state. For businesses, this means that if the changes to the NYLTA are signed into law, the NYLTA’s definition of “reporting company” and “beneficial owner” would be expanded to include those entities and owners that were originally included when the law was first enacted, prior to federal lawmakers limiting the CTA. In other words, the NYLTA would require both domestic and foreign LLCs doing business in New York to report beneficial ownership information for both domestic and foreign beneficial owners. As a result, the NYLTA would be a significantly bigger burden on businesses that choose to do business in New York compared to other states.

If these changes are enacted, then beginning January 1, 2026, all newly formed or registered LLCs (regardless of whether they are domestic or foreign) would be required to submit beneficial ownership disclosures or attestation of exemptions within 30 days of formation or authorization. Existing LLCs that qualify as “reporting companies” will have until January 1, 2027, to comply. Unlike the federal CTA, even entities that are exempt from the disclosure requirements will still need to provide an attestation of such exemption.

WHAT’S NEXT: CHAPTER AMENDMENTS AND EXECUTIVE ACTION

As of the date hereof, the bill has not yet been signed by the governor and may be subject to further revisions through the chapter amendment process, as occurred with the original NYLTA. This process allows the Legislature to make technical or substantive changes before the law takes effect. Given the scope of the amendments and their potential impact on New York businesses, additional refinements are possible.

PREPARING FOR POTENTIAL COMPLIANCE

The passage of S8432/A8662-A signals New York's intent to maintain a robust beneficial ownership disclosure framework, independent of federal enforcement. If enacted, the NYLTA would impose stricter requirements than the current version of the CTA and apply broadly to both domestic and foreign LLCs (and their domestic and foreign beneficial owners) doing business in the state.

While the legislation awaits executive action and possible amendments, businesses should begin assessing their potential obligations. LLCs and their legal advisers should monitor developments and be prepared to comply starting January 1, 2026 (for newly formed or registered LLCs) or by January 1, 2027 (for existing LLCs), as applicable, if the bill is signed into law.

To navigate these rules and deadlines, [contact BCLP's CTA team](#) with any questions. Please note that BCLP does not provide advice as to the application of these laws to an entity unless we have been expressly engaged to provide such advice.

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