

INSIGHTS + NEWS

Corporate Insights: What's in Store in 2024 for Corporate Counsel and Their Legal Teams?

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In January, most people plan their projects for 2024. This is no different for corporate counsel but with the everchanging landscape, where should the focus be? Here are some of the major topical areas that will impact corporate counsel in 2024.

CORPORATE TRANSPARENCY ACT

The Corporate Transparency Act went into effect January 1, 2024. Corporate counsel will need to assess whether the company (and affiliated companies and subsidiaries) need to register under the Corporate Transparency Act by the end of 2024. There is helpful information at the [U.S. Department of the Treasury's Financial Crimes Enforcement Network](#), known as "FinCEN," to help in determining the need to register with the Federal Government. While the definition for a reporting company is broad, corporate counsel should be familiar with the 23 exemptions to the reporting requirement. If you are required to file, [FinCEN's system is up and running](#). Reporting should be done as soon as the assessment is made to avoid the last-minute deluge of reporting that will likely occur towards the end of 2024.

ARTIFICIAL INTELLIGENCE

Artificial Intelligence or "AI" will be at the forefront during 2024 as lawmakers try to catch up with the technology. Be prepared for the growing number of regulations and requirements aimed at AI and the companies that use them. In December of 2023, the European Union reached agreement on the [AI Act](#), and the U.S. is soon to follow. Lawmakers are calling for Congress to act and many Federal agencies are already acting on AI, including the Equal Employment Opportunity Commission, which is cracking down on employment bias. Corporate counsel should stay abreast of these regulations and adjust their practices as appropriate.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

Environmental, social, and governance or "ESG" has become increasingly important to private and public companies alike. Many of today's investors are looking for companies that take a holistic view that extends beyond environmental issues and includes social issues as well. Boards are making governance a top priority in the efforts to drive value creation for stakeholders. Corporate counsel plays a key role in integrating ESG into the company's business model and strategy, as well as ensuring compliance with the evolving legal and regulatory landscape on ESG.

AUTOMATION AND DIGITAL TRANSFORMATION

In order to retain their competitive advantage, companies will have to rely on automation and digital transformation during 2024. Corporate counsel will need to adapt to the increasing use of automation and digital tools in their work

processes, as well as to advise on the legal and ethical implications of emerging technologies such as artificial intelligence, blockchain, and cloud computing. Corporate counsel should understand the various technologies so he or she can advise accordingly.

DATA PRIVACY

We are seeing more and more laws on data privacy each year. Five U.S. states went live with data privacy laws in 2023 with at least four more to follow in 2024. The SEC recently provided cybersecurity mandates for public companies — the landscape is shifting toward increased data privacy-consciousness. Even though the U.S. does not have a federal data privacy law, the Data Care Act and Online Privacy Act of 2023 are proposed bills that aim to protect U.S. citizens' online data privacy. The [Data Care Act \(DCA\)](#) would require online providers to do their best to secure private data, notify consumers of breaches, and disclose when a consumer's data is being used. Similarly, the [Online Privacy Act \(OPA\)](#) is similarly aimed at protecting consumers' online data by putting limits on companies. There are dozens of regulations to keep track of, and if your company manually updates contracts to comply with regulations, corporate counsel may have a hard time keeping up.