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The Bowditch & Dewey Real Estate Blog

Are Unincorporated Condominium Associations and Condominium Trusts Required to Comply with the January 1, 2025, Corporate Transparency Act?

BY BOWDITCH & DEWEY • DECEMBER 18, 2024

In *Trustees of the Lewis Wharf Condominium Trust v. Yellen et als*, U.S. District Court, District of Massachusetts (Boston) 1:24-CV-11679. (“Lewis Wharf”), the plaintiffs sought a declaratory ruling as to whether unincorporated condominium associations and certain condominium trusts formed under M.G.L. c. 183A are exempt from Corporate Transparency Act (CTA) reporting requirements.

On November 22, 2024, the *Lewis Wharf* court dismissed the plaintiffs’ request “permanent injunction enjoining the Defendants and any other agency or employee acting on behalf of the Defendants from enforcing any provision of the [CTA] against any condominium associations or similar condominium entities” for lack of standing. In consequence, the court did not address the plaintiffs’ request.

Although not specifically listed within the 23 types of entities that are exempt from the beneficial ownership information reporting requirements, FinCEN’s responses to “Frequently Asked Questions” indicate that “[a] domestic entity such as a statutory trust, business trust, or foundation is a reporting company only if it was created by the filing of a document with a secretary of state or similar office.”

Ordinarily, “[n]oncompliance with the CTA subjects a person, not the reporting company, to both civil and criminal liability. A person who willfully provides false beneficial ownership information or fails to report such information faces civil penalties of up to \$500 per day,” and “may be fined not more than \$10,000, imprisoned for not more than 2 years, or both.” 31 U.S.C. § 5336(h)(1), (3). *Trustees of the Lewis Wharf Condominium Trust v. Yellen et als*, U.S. District Court, District of Massachusetts (Boston) 1:24-CV-11679. (“Lewis Wharf”).

But as of the December 5, 2024, the nationwide stay in *Texas Top Cop Shop, Inc., et al. v. Garland, et al.*, No. 4:24-cv-00478 (E.D. Tex.): (1) enjoins the CTA, including enforcement of that statute and regulations implementing its

[beneficial ownership information reporting requirements](#), and, specifically, (2) stays all deadlines to comply with the CTA's reporting requirements.

While reporting companies are not currently required to file their beneficial ownership information with FinCEN and will not be subject to liability if they fail to do so while the preliminary injunction remains in effect, reporting companies may continue to voluntarily submit beneficial ownership information reports to comply with the January 1, 2025 deadline.