

US Treasury Announces That the Corporate Transparency Act Will Not Be Enforced Against Domestic Companies, Their Beneficial Owners or US Citizens

March 6, 2025

As noted in our previous [Corporate Advisory](#), the Financial Crimes Enforcement Network (FinCEN) announced on February 27, 2025, that it will not take enforcement action against a Reporting Company that fails to file or update a Beneficial Ownership Information Report (BOIR) as required by the Corporate Transparency Act (CTA), pending the release of a new “interim final rule.”

On March 2, 2025, the US Department of the Treasury (Treasury) issued a press release expanding on FinCEN’s announcement. The Treasury release states that even “after the forthcoming rule changes take effect[,]” the Treasury will not enforce fines and penalties under the CTA against domestic Reporting Companies, beneficial owners of domestic Reporting Companies or US citizens.

The release also outlines Treasury’s intention to propose additional rulemaking that would limit CTA reporting obligations solely to foreign Reporting Companies. Under the CTA, a foreign Reporting Company is defined as any entity that is formed under the laws of a foreign country and registered to do business in the United States by filing a document with a secretary of state or a similar office under the laws of a State or Indian tribe. As a result, the proposed rulemaking would significantly narrow the CTA’s application.

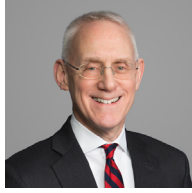
Given the Treasury’s announcement, non-exempt domestic Reporting Companies and their beneficial owners may wish to consider ceasing CTA compliance efforts until there are further developments in this space. Non-exempt foreign Reporting Companies should continue preparing CTA filings in anticipation of forthcoming guidance regarding extended filing deadlines.

CONTACT

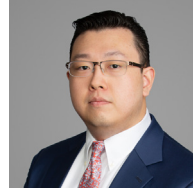
For more information, contact your Katten attorney or any of the following:



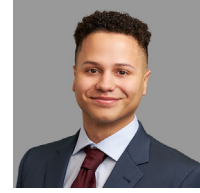
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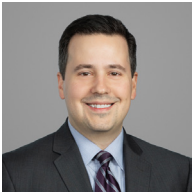
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