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Insights

Corporate Transparency Act Filing Requirement Halted Again: Trump Administration Indicates Major Changes Coming

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U.S. Companies no longer have to file beneficial ownership information reports ("BOI Reports") as required by the Corporate Transparency Act, according to a pair of announcements from FinCEN and the U.S. Department of the Treasury. Additionally, new regulations are expected to be issued by the Trump Administration that, potentially, exempt all U.S. companies from CTA filing requirements going forward.

Another Busy Week

Last week, **we updated you** on a recent announcement regarding the Corporate Transparency Act in which the Financial Crimes Enforcement Network ("FinCEN"), the federal bureau responsible for enforcing the CTA, issued a new deadline for filing—March 21, 2025, for most U.S. companies.

As we noted in our update, in its announcement, FinCEN left the door open to modifying that deadline pending upcoming changes to the current reporting regime.

That modification has now happened. On February 27, FinCEN released a new announcement (just eight days after its previous announcement of the March 21 deadline) that the new deadline will, for now, not be enforced for any entities that are or may be subject to the CTA ("Reporting Companies"). Specifically, FinCEN states in its **announcement** "No fines or penalties will be issued, and no enforcement actions will be taken, until a forthcoming interim final rule becomes effective and the new relevant due dates in the interim final rule have passed."

Therefore, effective as of February 27, 2025, Reporting Companies are not required to report beneficial ownership information to FinCEN until FinCEN provides further notification on their new reporting regime. While FinCEN has not officially rescinded the March 21 deadline, FinCEN's announcement effectively pauses enforcement of the CTA throughout the United States.

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FinCEN's February 27 announcement goes on to say that, prior to March 21, "FinCEN intends to issue an interim final rule that extends BOI reporting deadlines, recognizing the need to provide new guidance and clarity as quickly as possible, while ensuring that BOI that is highly useful to important national security, intelligence, and law enforcement activities is reported." Therefore, within the next two weeks, we would expect to see FinCEN's stance of non-enforcement coupled with an actual further extension of BOI reporting deadlines and an interim rule governing BOI Reports.

However, FinCEN's announcement was not the only recent action on the CTA. On Sunday, March 2, 2025, in an unusual move, the U.S. Department of the Treasury ("Treasury"), the cabinet-level department of which FinCEN is a part, issued its own **announcement** which goes even further than FinCEN's: According to Treasury, "not only will it not enforce any penalties or fines associated with the beneficial ownership information reporting rule under the existing regulatory deadlines, but it will further not enforce any penalties or fines *against U.S. citizens or domestic reporting companies or their beneficial owners* after the forthcoming rule changes take effect either" (emphasis added).

Notably, Treasury appears to be carving out an exception from enforcement that solely relates to U.S. citizens, domestic Reporting Companies, and their beneficial owners. Given that the text of the CTA broadly targets U.S. companies (although foreign companies registered to do business in the U.S. are also swept in), this represents a major policy departure from the statutory language of the CTA and the current regulations issued in September 2022.

Interestingly, President Trump followed up Treasury's announcement with **the following statement on Truth Social** also on March 2, 2025: "The Treasury Department has announced that they are suspending all enforcement of the outrageous and invasive Beneficial Ownership Information (BOI) reporting requirement for U.S. Citizens. This Biden rule has been an absolute disaster for Small Businesses Nationwide. Furthermore, Treasury is now finalizing an Emergency Regulation to *formally suspend this rule for American businesses*. The economic menace of BOI reporting will soon be no more" (emphasis added).

Both President Trump's and Treasury's statements indicate that 1) new regulations will be issued; and 2) American businesses and/or U.S. citizens will be exempted from the CTA's reporting requirements. The reference to U.S. citizens is particularly interesting, as it raises the possibility that even if a Reporting Company is still required to report under the new regulatory regime, it may be exempted from reporting identifying information about U.S. citizens.

The apparent intention to exempt all U.S. companies from the CTA may raise some questions about the scope of Treasury and/or FinCEN's authority to interpret the statute in this way, which could bring further action in the courts. However, the Trump Administration's intention to prevent the CTA from being enforceable against U.S. companies is clear, and as the executive branch is ultimately responsible for enforcement, at this moment, it appears that U.S. companies may get a reprieve from complying with the CTA, at least for the duration of the Trump Administration.

Possible Congressional Action

As we noted in our **prior update** there is also the possibility that Congress could act to pare back the scope of the CTA, perhaps to include only foreign companies as the Administration desires. A change of the underlying statute by Congress would make any revised reporting regime under the CTA more robust, since mere

enforcement decisions or regulatory changes would be much easier to rescind under a future presidential administration (or a change in the priorities of the Trump Administration). However, it remains to be seen where a potential change of the CTA fits into Congress's priorities list as it takes up sections of the Trump agenda via ongoing negotiations in the House and Senate. Therefore, Congress, the courts, and further executive branch actions remain worth watching here.

Summary

As of now, FinCEN has indicated that it will not enforce the March 21 deadline, and therefore, Reporting Companies are not required to make BOI Reports to FinCEN, or to update reports previously made.

Additionally, FinCEN, Treasury, and President Trump have indicated that new rules are coming soon, and that these new rules will exempt U.S. companies from having to make BOI Reports (and possibly all entities from reporting information about U.S. citizens). The new rules have not been issued yet and, depending on their scope, may face challenges in the courts. However, for now, the Trump Administration is sending a clear signal that it will use its enforcement authority to exempt U.S. companies from the CTA going forward.

Therefore, Reporting Companies and their control persons do not currently have to provide any beneficial ownership information to FinCEN. For U.S. companies and/or companies beneficially owned by U.S. citizens, it is possible that they may never have to. Of course, the situation could change if the Trump Administration changes its mind, or if there is legislation or litigation that otherwise affects filing requirements. Our Firm will monitor this situation.

For any Reporting Companies that have prepared beneficial ownership information in preparation for filing as of now, they should still keep this information on hand pending further guidance from FinCEN and Treasury. If, for some reason, a Reporting Company elects to go ahead and file, FinCEN's website remains available for voluntary compliance at: https://fincen.gov/boi. Please reach out to our Firm if you have any questions about this.