

## Insights

# Trump Administration Publishes New Rule for Corporate Transparency Act: Filings No Longer Required for Americans

### Article

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We reported to you last month that filing requirements under the Corporate Transparency Act (CTA) were paused while the Financial Crimes Enforcement Network (FinCEN) drafted a new rule that would likely exclude most or all U.S. companies from reporting under the CTA.

That new rule (the “Rule”) has now been issued and published in the Federal Register as of March 26, 2025. As expected, U.S. companies are no longer required to report at all under the CTA, as the Rule has limited the definition of “Reporting Company” solely to entities formed under the laws of foreign countries and registered to do business in the United States. See 31 CFR § 1010.380(c)(1). In other words, the CTA now only applies to foreign companies who are registered to do business in the United States.

Additionally, while foreign companies still must report identifying information about their beneficial owners, they are specifically exempted from reporting information about their beneficial owners who are U.S. persons (that is, citizens, permanent residents, or U.S. companies). U.S. persons are likewise exempted from any requirement to provide beneficial ownership information to foreign companies that are otherwise required to report under the CTA. See 31 CFR § 1010.380(d)(4). In other words, US equityholders no longer need to provide any identifying information to Reporting Companies, and likewise, Reporting Companies may exclude information about US equityholders from their filings under the CTA.

The upshot of all of this is that unless 1) you are not a U.S. person; and 2) you own equity in a foreign company registered in the United States, you are exempt from complying with the CTA under this new Rule.

For those foreign companies with foreign equityholders or control persons that are required to report, the Rule also comes with a new deadline: 30 days from the March 26 publication in the Federal Register, which is April 25, 2025. For such entities, FinCEN’s website remains available for filing at:

<https://fincen.gov/boi>.

## Uncertain Future for the CTA

Technically, the Rule is an “interim final rule” currently in its notice and comment period until May 27, 2025, after which FinCEN will issue a final rule. However, given the Trump Administration’s priorities, the final rule is unlikely to be significantly different from the interim rule.

With this latest move, the Trump Administration has all but dismantled the CTA as applied to U.S. business entities, and unless the Administration’s priorities change significantly or there is action from Congress or the courts, it is unlikely that American companies will need to devote resources to complying with the CTA during President Trump’s presidency.

On the legal front, there remains, perhaps, an open question about the extent to which a regulatory agency such as FinCEN has the unilateral authority to limit the CTA’s applicability solely to foreign entities. Generally speaking, federal regulations are designed to interpret an existing statute, and here, the underlying statute (the CTA) clearly requires U.S. businesses to report BOI to FinCEN. (However, there is a carveout in the CTA’s text itself that permits some exceptions, which FinCEN is relying on in making the Rule.)

Still, totally exempting all U.S. companies from CTA reporting is a bold change in direction and a possibly unprecedeted use of the regulatory authority granted to federal agencies, which at least raises the possibility of court challenges. Thus far, the Trump Administration has not been shy about using the executive authority in new ways to accomplish its goals, even if it goes against longstanding practices and could subject the Administration to litigation.

On balance, however, it may be difficult for a pro-CTA litigant to successfully challenge the Rule. At a minimum, such a litigant would have to show that it has been harmed by the government’s actions in order to obtain judicial standing to challenge the rule. Here, since the government is the party who would theoretically be “harmed” by not receiving the information required under the CTA, and, given the Trump Administration’s stance, his Justice Department is unlikely to file a suit to defend the CTA, it is difficult to imagine a situation where any such rule would be challenged in court—unless, of course, the Administration’s position changes at some point in the future. It is worth noting, however, that if standing were successfully established, a court might give any new federal regulations less deference under the new standard established by the *Loper Bright* case in 2024 (which we covered in [this article](#).) The constitutional issues, ongoing litigation, and balance of power between the executive branch and the judiciary remain worth watching here.

For any U.S. companies that have prepared beneficial ownership information in preparation for filing as of now, there is no harm in keeping this information on hand and updating it from time to time, just in case the situation changes.

## Our Firm

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