

# CLIENT ALERTS

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## Corporate Transparency Act: Enforcement on Hold Once Again Until New Rule is Effective

### Client Alert

2.28.2025

### What Happened

In the latest installment of the Corporate Transparency Act's ("CTA") implementation saga, the Financial Crimes Enforcement Network ("FinCEN") announced on February 27, 2025 that it will not issue any fines or penalties or take any other enforcement actions against companies based on any failure to file or update CTA beneficial ownership information reports ("BOIRs") by the recently announced March 21, 2025 deadline. This announcement comes just eight days after FinCEN published its February 19, 2025 notice establishing the extended March 21 deadline, which followed judicial developments staying a previously entered injunction against CTA enforcement. See our previous Client Alert [here](#).

In its announcement, FinCEN noted its intention to issue an "interim final rule" no later than March 21, 2025, that further extends BOIR reporting deadlines and stated that it will not take any enforcement action until the interim final rule becomes effective and the new relevant due dates have passed.

### Additional FinCEN Rulemaking Forthcoming

FinCEN's February 27th announcement reiterated its commitment to prioritize reporting for entities that pose the most significant security risks while reducing the regulatory burden for lower-risk entities, including many U.S. small businesses. FinCEN announced its intention to solicit public comment on potential revisions to existing BOIR requirements as part of a notice of proposed rulemaking, which it expects to issue later this year. The rulemaking will pursue the goal of minimizing burden on small businesses while ensuring that CTA reporting is highly useful to important national security, intelligence, and law enforcement activities, and will determine

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what, if any, modifications to the deadlines should be considered.

### **What Should You Do Now?**

Reporting companies may delay filing BOIRs until further clarity is provided by FinCEN, the courts, or Congress. The recently announced March 21, 2025, reporting deadline will not be enforced by FinCEN, though reporting companies remain free to file if they choose. Given the frequency of developments in this area, we recommend that reporting companies that choose not to file remain prepared to submit their BOIRs. We stand ready to assist any clients who prefer to file BOIRs currently.

Please contact any author of this Client Alert with any questions or concerns that you may have regarding your reporting company's obligations under the CTA.

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