



## Update to Corporate Transparency Act Reporting Requirements Announced on March 21, 2025

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On March 21, 2025, the Financial Crimes Enforcement Network (FinCEN) announced that it is issuing an interim final rule that removes the requirement for U.S. companies and U.S. persons to report beneficial ownership information (BOI) to FinCEN under the Corporate Transparency Act. The interim final rule changes the definition of “reporting company” to include only those entities that are formed under the law of a foreign country and that have registered to do business in the United States through a filing with a secretary of state or similar office. FinCEN also exempts entities previously known as “domestic reporting companies” from BOI reporting requirements. Consequently, this interim final rule now exempts all entities created in the United States and their beneficial owners from the requirement to report BOI to FinCEN.

### Background

The Corporate Transparency Act (CTA) was enacted in 2021 to require companies doing business in the United States to report certain information about the beneficial owners in an effort to battle certain illegal activities such as money laundering, corruption drug trafficking and terrorism. The CTA

required all companies created or registered to do business in the United States to disclose their beneficial ownership information (BOI) to the Financial Crimes Enforcement Network (FinCEN) by January 1, 2025, or ninety (90) days after the effective date of the creation of the entity. However, a number of legal challenges to enforcement of the CTA have resulted in constantly shifting reporting obligations. Then, on February 19, 2025, FinCEN announced that due to the February 18, 2025 decision in *Smith, et al. v. U.S. Department of the Treasury, et al.*, 6:24-cv-00336 (E.D. Tex.) placing the filing requirements back into effect, FinCEN was extending the date to comply for most companies to March 21, 2025. The interim final rule announced on March 21, 2025, now exempts all entities created in the United States and their beneficial owners from the requirement to report BOI to FinCEN.

Companies can report their beneficial ownership information directly to FinCEN, free of charge, using FinCEN's E-Filing system available at <https://boiefiling.fincen.gov>. (More information is available at [fincen.gov/boi](https://fincen.gov/boi)).

However, it is likely that the requirements could be changed again as there may be additional developments in the courts or by Congress.

#### Select History

- **January 1, 2021:** The CTA became law and provided one year for the Secretary of the Treasury to prescribe the implementing regulations.
- **September 29, 2022:** FinCEN issues a final rule establishing the BOI filing requirements.
- **November 29, 2023:** FinCEN issues a final rule with the reporting deadlines.
- **December 3, 2024:** The U.S. District Court for the Eastern District of Texas in *Texas Top Cop Shop, Inc. et al. v. Garland* issued a preliminary injunction against the US Government's enforcement of the CTA.
- **December 23, 2024:** A three-judge panel of the U.S. Court of Appeals for the Fifth Circuit stayed the nationwide injunction issued on December 3<sup>rd</sup>, allowing the CTA's enforcement to proceed during the appeal process.
- **December 26, 2024:** The full Fifth Circuit vacated the portion of its earlier order that had stayed the district court's preliminary injunction, reinstating the nationwide injunction against the CTA's enforcement.
- **January 7, 2025:** In the case of *Smith v. U.S. Department of the Treasury*, a federal judge in Texas issued a nationwide injunction blocking the enforcement of the CTA.

- **January 23, 2025:** The U.S. Supreme Court lifted the injunction in the *Texas Top Cop Shop v. Garland* case, allowing the enforcement of the CTA to proceed. (However, the reporting obligations remained on hold due to the separate injunction in the *Smith* case).
- **February 17, 2025:** The U.S. District Court for the Eastern District of Texas stayed the nationwide injunction in the *Smith* case, reinstating the CTA's reporting obligations. This decision allowed the enforcement of the CTA to proceed while the appeal was pending.
- **February 19, 2025:** FinCEN announced an extension of the deadline for companies to file beneficial ownership information reports to March 21, 2025, acknowledging the need for additional time to comply with the reinstated reporting requirements.
- **March 21, 2025:** FinCEN announced an interim final rule that removes the requirement for U.S. companies and U.S. persons to report beneficial ownership information (BOI) to FinCEN under the Corporate Transparency Act.