



FINCEN AND U.S. TREASURY DEPARTMENT STATE INTENTION TO SUSPEND CORPORATE TRANSPARENCY ACT ENFORCEMENT EFFORTS

March 5, 2025

On February 18, 2025, a Texas District Court stayed its order enjoining FinCEN from enforcing the Beneficial Ownership Information (BOI) reporting requirements of the Corporate Transparency Act (CTA). FinCEN subsequently issued new guidance extending the BOI reporting deadline for most reporting companies to file an initial, updated and/or corrected BOI report with FinCEN to March 21, 2025.

However, on February 27, 2025, FinCEN announced that it would not issue fines or penalties or otherwise take enforcement actions against companies for failing to file or update Beneficial Ownership Information (BOI) by the March 21, 2025 deadline: <https://www.fincen.gov/news/news-releases/fincen-not-issuing-fines-or-penalties-connection-beneficial-ownership>. The announcement also noted that FinCEN intended to issue an interim final rule further extending deadlines and issue revised BOI reporting requirements expected to reduce the reporting burden on companies.

Going further, on March 2, 2025, the U.S. Treasury Department issued a press release stating that, not only would it not enforce any penalties for missing the current March 21, 2025 deadline, but it will not further enforce any penalties against U.S. citizens, domestic reporting companies or their beneficial owners, regardless of whether or not the deadline is extended: <https://home.treasury.gov/news/press-releases/sb0038>. The Department of Treasury also noted that it expected the new rulemaking to narrow the CTA to just foreign reporting companies only.

On the one hand, the statements by FinCEN and the U.S. Treasury Department do not have the force of law, FinCEN's formal regulations state that compliance is required by March 21, 2025, and FinCEN still accepts filings. Further, there can be no assurance that FinCEN and the U.S. Treasury Department do not change their enforcement positions in the future.

On the other hand, the U.S. government has clearly stated that it does not intend to enforce the BOI reporting requirements of the CTA and that it intends to formally issue revised rules. Additionally, the CTA continues to be challenged in court, with prior cases still proceeding and another U.S. District Court in Michigan holding the CTA unconstitutional on Fourth Amendment grounds. A bill extending the deadline to comply for entities that were formed before January 1, 2024 to January 1, 2026 has passed the U.S. House of Representatives and is now before the U.S. Senate.

While companies may choose to file in the interim (at the risk of disclosing information that may ultimately not be required), it also seems reasonable to wait until FinCEN and the U.S. government provide further guidance before the March 21, 2025 date.

For more information on the BOI reporting requirements of the CTA, please click on our prior client alerts below.
Corporate Transparency Act Reporting Deadline Now March 21, 2025 (February 24, 2025)

CUMMINGS & LOCKWOOD LLC

Enforcement of Corporate Transparency Act Suspended Again (December 30, 2024)

Corporate Transparency Act Injunction Lifted (December 24, 2024)

Injunction Against Enforcement of the Corporate Transparency Act (December 4, 2024)

Corporate Transparency Act and the New Federal Reporting Requirements (September 20, 2024)