

Corporate Transparency Act Will Not Be Enforced Against U.S. Citizens and Entities

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In a press release issued on March 2, 2025, the United States Department of the Treasury announced that “with respect to the Corporate Transparency Act...[it will] not enforce any penalties or fines against U.S. citizens or domestic reporting companies or their beneficial owners” and that it will be “issuing a proposed rulemaking that will narrow the scope of the [reporting rules] to foreign companies only.” Furthermore, in a related post as of the same date on the social media platform “Truth Social,” President Trump stated that the “...Treasury is now finalizing an Emergency Regulation to formally suspend [the Beneficial Ownership Information (BOI)] reporting rule for American businesses,” noting that the “economic menace of BOI reporting will soon be no more.”

The March 2nd announcements by President Trump and the Treasury follow on the heels of a press release issued on February 27, 2025, by the Financial Crimes Enforcement Network (FinCEN), which is the bureau within the Treasury Department tasked with the enforcement of the Corporate Transparency Act and its implementing rules (collectively, the “CTA”). The February 27th notice clarified that FinCEN would “not issue any fines...or take any other enforcement actions against any companies based on any failure to file or update BOI reports pursuant to the CTA by the current deadlines” and that FinCEN intends to issue an “interim final rule that extends BOI reporting deadlines.”

While individuals and entities should still assess their obligations under the CTA in connection with the additional rules to be promulgated by the Treasury and FinCEN, given the above-referenced press releases, the saga of the CTA is likely coming to a close for the time being (at least with respect to domestic entities and U.S. citizens).

For additional updates or questions regarding the status of the CTA and its applicability to you or your business, please reach out to any member of the Lowndes Corporate Group for guidance.

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