

Publications

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CTA 2.0 – FinCEN Limits CTA’s Reporting Requirements to Certain Non-U.S. Entities and Non-U.S. Individuals

The Financial Crimes Enforcement Network (FinCEN) issued an interim final rule on March 21, 2025, that eliminates the Corporate Transparency Act (CTA) reporting requirements for U.S. entities and U.S. individuals. The rule is effective upon its publication in the federal register; however, the interim final rule may be updated following a sixty-day comment period.

FinCEN’s press release provided the following summary of the impact of the interim final rule:

“Thus, through this interim final rule, all entities created in the United States — including those previously known as “domestic reporting companies” — and their beneficial owners will be exempt from the requirement to report BOI to FinCEN. Foreign entities that meet the new definition of a “reporting company” and do not qualify for an exemption from the reporting requirements must report their BOI to FinCEN under new deadlines, detailed below. These foreign entities, however, will not be required to report any U.S. persons as beneficial owners and U.S. persons will not be required to report BOI with respect to any such entity for which they are a beneficial owner.”

Non-U.S. entities that meet the definition of “reporting company” are generally (1) formed in a non-U.S. jurisdiction and (2) registered with a U.S. jurisdiction to do business in such jurisdiction. These non-U.S. entities will have thirty days from the later of (i) the date of publication of the interim final rule in the federal register and (ii) the date of becoming registered to do business in a U.S. jurisdiction.

Removing the reporting obligations of U.S. entities and U.S. individuals substantially limits the number of required filings. By FinCEN’s own estimate in the interim final rule, it anticipates roughly 12,000 filings annually (over each of the first three years). In the final reporting rule in effect prior to the interim final rule, FinCEN estimated roughly 10,510,000 filings annually (over each of the first five years).

We will monitor developments in this space. Please reach out to your Polsinelli contact with any questions.

Related People

- Philip G. Feigen
- Bert Stemmler

