

CTA/BOI Update: Treasury Department Announces Suspension of Enforcement of CTA Against U.S. Citizens and Domestic Reporting Companies

March 2, 2025

Update Regarding the Corporate Transparency Act — Treasury Department Announces Suspension of Enforcement of CTA Against U.S. Citizens and Domestic Reporting Companies

Overview of Latest Development

On Sunday, March 2, 2025, the Department of Treasury (“Treasury”) issued a [press release](#) (Treasury Department Announces Suspension of Enforcement of Corporate Transparency Act Against U.S. Citizens and Domestic Reporting Companies | U.S. Department of the Treasury), announcing that it will not enforce any penalties or fines associated with the beneficial ownership information reporting rule under the existing regulatory deadlines, nor will it enforce any penalties or fines against U.S. citizens or domestic reporting companies or their beneficial owners after the forthcoming rule changes take effect.

Further, the Treasury will issue proposed rulemaking that will narrow the scope of the rule to foreign reporting companies only, “in the interest of supporting hard-working American taxpayers and small businesses and ensuring that the rule is appropriately tailored to advance the public interest.”

The Treasury’s announcement is good news that comes on the heels of FinCEN’s announcement on Thursday, February 27, 2025, that it will pause enforcement actions and not issue fines or penalties against companies for failing to file or update beneficial ownership information reports pursuant to previously promulgated Corporate Transparency Act reporting deadlines.

What’s Next?

While the Treasury’s announcement is a welcome step forward, businesses should remain alert. It is anticipated that additional information and clarity will be forthcoming in the weeks and months ahead to address specific reporting requirements and related deadlines for foreign reporting companies.