

ISSUE ALERTS



FINCEN ELIMINATES CORPORATE TRANSPARENCY ACT REPORTING OBLIGATIONS FOR DOMESTIC COMPANIES AND U.S. PERSONS

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On March 21, 2025, the Financial Crimes Enforcement Network (“FinCEN”) issued an interim final rule that significantly narrows the scope of the beneficial ownership information (“BOI”) reporting requirements under the Corporate Transparency Act (“CTA”). As expected, based on its announcement on March 2, the interim rule narrows the CTA’s reporting obligations to foreign reporting companies only.

Under the interim rule, domestic reporting companies, defined as corporations, LLCs, and other entities formed by filing a document with a secretary of state under U.S. law, are excluded from the CTA’s BOI reporting obligations. These entities are no longer required to submit, update, or correct BOI reports with FinCEN while the interim rule remains in effect.

Foreign reporting companies, which are entities formed under the laws of a foreign country but registered to do business in the U.S., are still subject to BOI reporting under the CTA under the interim rule. However, the interim final rule makes two key changes:

- Foreign reporting companies are no longer required to report BOI for any U.S. persons (including U.S. citizens and residents) who are beneficial owners.
- U.S. persons are not required to provide BOI to a foreign reporting company in which they hold a beneficial ownership interest.

Foreign reporting companies will have from 30 days after the publication of the interim final rule in the Federal Register, or 30 days after their registration to do business in the U.S., whichever is later, to file their BOI reports.

As an interim rule, this is subject to public comment and change. FinCEN will accept comments on the interim rule for 60 days and intends to issue a final rule this year which may modify the amendments implemented by this interim rule. As the CTA remains the subject of multiple legal challenges, reporting companies should continue to



monitor for further developments.

FOR MORE INFORMATION

If you have questions or want more information regarding the Corporate Transparency Act's beneficial ownership information reporting requirements, contact your legal counsel. If you do not have regular counsel for such matters, Foulston Siefkin LLP would welcome the opportunity to work with you to meet your specific needs. For more information, contact William (Bill) P. Matthews at 316.291.9556 or bmatthews@foulston.com. For more information on the firm, please visit our website at www.foulston.com.

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