



Client Alert: Corporate Transparency Act (CTA) Update- FinCEN Eliminates BOI Reporting Requirement for U.S. Companies and U.S. Persons

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As previously reported, on March 2, 2025, the U.S. Department of the Treasury announced a significant shift in the implementation of the Corporate Transparency Act (CTA). Subsequently, on March 21, 2025, the Financial Crimes Enforcement Network (FinCEN) issued an [interim final rule](#) to align with that announcement.

Key Takeaways:

- **U.S. Companies and U.S. Persons No Longer Required to Report Beneficial Ownership Information (BOI):** FinCEN has eliminated the BOI reporting obligation for all entities formed in the United States — previously known as “domestic reporting companies.” As a result, U.S. companies and U.S. persons are no longer required to submit BOI under the CTA.
- **Revised Definition of “Reporting Company”:** Under the new rule, a “reporting company” is now limited to entities that are:
 - Formed under the laws of a foreign country; and
 - Registered to do business in a U.S. State or Tribal jurisdiction by filing a document with a secretary of state or similar office.
- **Implications for Foreign Entities:** Only these redefined “foreign reporting companies” must comply with BOI reporting requirements — unless they qualify for an existing exemption. Importantly, these entities:
 - Are not required to report U.S. persons as beneficial owners.
 - Must adhere to new reporting deadlines, which FinCEN will outline in forthcoming guidance.

This development marks a dramatic departure from the previous framework, which required both domestic and foreign companies to report BOI to FinCEN. The exemption of U.S. companies and U.S. persons represents a significant narrowing of the CTA's scope and a substantial easing of compliance burdens for domestic businesses.

What This Means for You:

- If your business is a **U.S.-formed entity, no action** is required under the CTA's BOI reporting rules going forward.
- If your business is a **foreign entity** registered in the U.S., you may still be required to report, and you should consult counsel regarding your classification and applicable deadlines.
- U.S. individuals who are beneficial owners of foreign reporting companies will not have any independent BOI reporting obligation.



For more information, see FinCEN's release [here](#).

If you have any questions about how this update may impact your business, please feel free to contact us.

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