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FINANCIAL CRIMES ENFORCEMENT NETWORK (FINCEN) REMOVES BENEFICIAL OWNERSHIP REPORTING REQUIREMENTS FOR U.S. COMPANIES AND U.S. PERSONS AND SETS NEW DEADLINES FOR FOREIGN COMPANIES

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On March 26, 2025, FinCEN announced that "All entities created in the United States – including those previously known as 'domestic reporting companies' – and their beneficial owners are now exempt from the requirement to report beneficial ownership information (BOI) to FinCEN. Existing foreign companies that must report their beneficial ownership information have at least an additional 30 days from March 26, 2025 – until April 25, 2025, for most companies – to do so."

On March 21, 2025, FinCEN narrowed the scope of the Corporate Transparency Act (CTA) by issuing an Interim Final Rule, which became effective on March 26, 2025.

What Changed:

- U.S. entities include all entities created in the United States (formed under any state or under the laws of an Indian tribe). These entities are no longer deemed reporting companies under the CTA, and thus do not need to report BOI to FinCEN, even if some beneficial owners of the entity are non-U.S.-based persons.

- Foreign entities that are registered to do business in the United States are subject to BOI reporting.

- U.S. persons are exempt, even if they are beneficial owners in a foreign entity registered to do business in the United States. If a foreign reporting company only has beneficial owners that are U.S. persons, then the company is exempt from BOI reporting.

Filing Deadlines:

- Filing deadlines for existing foreign entities that became reporting companies before March 26, 2025 have until April 25, 2025 to file their initial BOI report. Filing deadlines for new foreign entities that become reporting companies on or after March 26, 2025 have 30 days from the date the applicable secretary of state or similar office first provides notice that the foreign entity is registered to do business.

What's Next?

- FinCEN is accepting comments on the Interim Final Rule and intends to issue a new final rule later this year. Interested parties may comment on the new rule on or before May 25, 2025.

Please contact Christa Sullivan with questions or for more information.

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