



Mar 31, 2025

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FinCEN Eliminates Beneficial Ownership Reporting by Domestic Companies and U.S. Residents Under the Corporate Transparency Act

The filing deadline for foreign companies is now April 25, 2025.

On March 21, 2025, the Financial Crimes Enforcement Network (FinCEN) issued its promised interim final rule^[1] to eliminate the obligation of United States residents and entities organized under domestic law to file beneficial ownership information reports under the Corporate Transparency Act (CTA). FinCEN had previously announced that it would not enforce the CTA's filing requirements pending the effectiveness of an interim final rule to narrow the filing obligation to foreign reporting companies.^[2]

The interim final rule became effective upon publication in the Federal Register on March 26, 2025. The new deadline for reporting companies to file their beneficial ownership reports is now April 25, 2025.

The interim final rule revises the definition of "reporting company" in the CTA implementing regulations, limiting it to mean only those entities that were formed under the law of a foreign country and have registered to do business in any U.S. state or tribal jurisdiction. Previously, this was the definition of "foreign reporting company."

The interim final rule also adds a broad new exemption for any corporation, limited liability company, or other entity that is "created by the filing of a document with a secretary of state or any similar office under the law of a State or Indian tribe." In addition, those companies still subject to CTA reporting are no longer required to report the beneficial ownership information of any United States persons^[3] who are their beneficial owners, and United States persons are no longer required to provide beneficial ownership information with respect to any reporting company for which they are a beneficial owner.

As originally adopted, the implementing rules placed the heaviest burden on small businesses that do not both report gross revenue of \$5 million on their most recent annual tax return and have at least 20 full-time employees. There will be few regrets about lifting this ongoing compliance burden from the companies least able to bear it.

However, if it remains the objective to combat money laundering and other financial crimes sheltered through the use of multi-layered shell companies, then the revised regulation appears to create a substantial and obvious loophole. Bad actors outside the United States can conduct business as usual without disclosing their ultimate owners or violating the Corporate Transparency Act by organizing a shell company under U.S. domestic laws.

FinCEN is accepting comments on this interim final rule. Comments must be submitted by May 27, 2025. FinCEN will assess the exemptions, as appropriate, in light of those comments and intends to issue a final rule this year.

Frost Brown Todd's [Corporate Transparency Act Taskforce](#) is committed to keeping clients apprised of key rule changes likely to impact their business operations. For more information, contact any member of our CTA team. Additional CTA resources can also be [found here](#).

[1] [Federal Register: Beneficial Ownership Information Reporting Requirement Revision and Deadline Extension](#) 90 FR 13688.

[2] [Treasury Department Announces Suspension of Enforcement of Corporate Transparency Act Against U.S. Citizens and Domestic Reporting Companies | U.S. Department of the Treasury](#).

[3] United States person means—
(A) a citizen or resident of the United States,
(B) a domestic partnership,
(C) a domestic corporation,
(D) any estate (other than a foreign estate, within the meaning of paragraph (31)), and
(E) any trust if (i) a court within the United States is able to exercise

primary supervision over the administration of the trust, and (ii) one or more United States persons have the authority to control all substantial decisions of the trust.

Frost Brown Todd's Corporate Transparency Act Team is staying up to date on the important rule changes that will likely have significant impacts on your business operations. Click below to read the latest information about the Corporate Transparency Act.

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