



CRITICAL UPDATE: Corporate Transparency Act No Longer Applies to United States Companies and Persons

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By Erica McGregor, Kristen Baracy, and Grayson Sieg

On March 21, 2025, the Financial Crimes Enforcement Network (FinCEN) issued an interim final rule that eliminates the beneficial ownership information (BOI) reporting requirements under the Corporate Transparency Act (CTA) with respect to companies formed in the United States and their beneficial owners that are citizens or residents of the United States (U.S. persons).

Instead, the CTA will now apply only to reporting companies formed in a jurisdiction outside of the United States, but registered to do business in the United States. Further, U.S. persons are no longer subject to mandatory beneficial ownership information reporting, even if they are beneficial owners of a foreign reporting company. If a foreign reporting company's beneficial owners are all U.S. persons, that foreign reporting company is exempt from filing under the CTA.

The revised rule requires all foreign reporting companies that are not otherwise subject to an applicable exemption to file their initial BOI report with FinCEN within thirty (30) days of the effective date of publication, which, as of the date of this Client Alert, is still pending. Any foreign company that registers to do business after this effective date will have thirty (30) days from the date of its domestic registration to file its beneficial ownership information report with FinCEN.

The interim final rule is effective immediately, but remains subject to the required public notice and comment period. FinCEN expects the revised rule to be finalized later this year.

The CTA is a federal law enacted to enhance corporate transparency by requiring certain companies to disclose beneficial ownership information to FinCEN. It aims to facilitate greater transparency regarding the individuals who ultimately own or control companies operating in the United States. Before FinCEN's latest announcement, it was estimated the CTA would require tens of millions of domestic business entities to report information on their beneficial owners to FinCEN.

[Additional Information](#)

For more information, please contact:

- Erica E. McGregor | 216.696.4224 | erica.mcgregor@tuckerellis.com
- Kristen A. Baracy | 213.430.3603 | kristen.baracy@tuckerellis.com
- Grayson K. Sieg | 216.696.5199 | grayson.sieg@tuckerellis.com

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