



CRITICAL UPDATE: CTA Filing Deadline Arrives, but Treasury Department Enforcement Stay Continues

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March 21, 2025, is the deadline for most companies to file their initial Beneficial Owner reports under the Corporate Transparency Act (“CTA”). But due to a blanket stay on enforcement, many reporting companies are waiting for more information from the U.S. Department of the Treasury before filing mandatory beneficial ownership information reports.

Both the Financial Crimes Enforcement Network (FinCEN) and the U.S. Department of the Treasury have recently announced that they will not enforce any penalties or fines for failure to file a beneficial ownership information report with FinCEN under the CTA. This applies to all reporting companies subject to current FinCEN deadlines.

The U.S. Department of the Treasury also stated that it will propose changes to the beneficial ownership reporting so that only foreign companies are required to file such reports. It remains to be seen whether future enforcement of the CTA would include foreign individuals holding ownership interests in domestic reporting companies. As of today, there have been no rulemaking proposals published with respect to the CTA.

Two cases that focus on the constitutionality of the CTA – *Texas Top Cop Shop, Inc. v. McHenry* and *Smith v. U.S. Department of the Treasury* – remain pending in Texas. Further, the US House of Representatives recently unanimously passed legislation, H.R. 736, to extend the filing deadlines for entities formed prior to January 1, 2024, until January 1, 2026; the legislation now awaits further action in the U.S. Senate.

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 and would require tens of millions of domestic business entities and foreign companies doing business here to report information on their beneficial owners to FinCEN.

Additional Information

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