

NIESAR & VESTAL LLP

Law Alert

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Treasury Department Suspends CTA Enforcement Actions Against U.S. Citizens or Domestic Reporting Companies

As announced in our previous [law alert](#), on February 27, 2025, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) announced that it would not issue any fines or penalties or take any other enforcement actions against any companies **based on any failure to file or update** beneficial ownership information (BOI) reports pursuant to the Corporate Transparency Act (CTA) by the current deadlines.

On March 2, 2025 the U.S. Treasury Department (the Treasury) [issued a press release](#) announcing that:

The Treasury Department is announcing today that, with respect to the Corporate Transparency Act, not only will it not enforce any penalties or fines associated with the beneficial ownership information reporting rule under the existing regulatory deadlines, but it will further not enforce any penalties or fines against U.S. citizens or domestic reporting companies or their beneficial owners after the forthcoming rule changes take effect either. The Treasury Department will further be issuing a proposed rulemaking that will narrow the scope of the rule to foreign reporting companies only. Treasury takes this step in the interest of supporting hard-working American taxpayers and small businesses and ensuring that the rule is appropriately tailored to advance the public interest.

Thus, **even after the new rules take effect, the Treasury will not seek enforcement against any "U.S. citizens or domestic reporting companies or their beneficial owners."** In addition, the proposed rulemaking will seek to narrow the BOI reporting requirements to apply only to foreign reporting companies (i.e., non-U.S. entities that have registered to do business in the U.S.).

As a result of this new update, U.S. domestic reporting companies may wish to avoid spending further time and expense complying with the CTA, at least until further notice. To the extent they have not done so already, only non-U.S. reporting companies should remain prepared to file BOI reports after FinCEN's announcement of the new relevant due dates.

We will continue to monitor further developments regarding the CTA. If you have questions arising out of this alert, your reporting obligations, or the CTA generally, please feel free to contact Carolina Aricu (caricu@nvlawllp.com), Gerald Niesar (gniesar@nvlawllp.com) or Oscar Escobar (oescobar@nvlawllp.com).

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