

NIESAR & VESTAL LLP

Law Alert

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FinCEN Significantly Narrows Scope of the CTA; U.S. Entities and Persons Exempt from BOI Filing Requirements

On March 21, 2025, the Financial Crimes Enforcement Network (FinCEN) [announced](#) that, consistent with the Department of the Treasury's March 2, 2025 [announcement](#), it is issuing an [interim final rule](#) that significantly narrows the scope of the Corporate Transparency Act (CTA).

FinCEN revises the regulatory definition of “reporting company” to mean only those entities that are formed under the law of a foreign country and that have registered to do business in any U.S. State or Tribal jurisdiction by the filing of a document with a secretary of state or similar office (formerly known as “foreign reporting companies”). As a result, the March 21 interim rule contains three main important changes to the scope of the CTA.

First, the interim final rule exempts entities formed in the U.S.—corporations, limited liability companies, and other entities formerly known as “domestic reporting companies”— and their beneficial owners from the requirement to file BOI reports. This exemption also extends to any updates or corrections to previously submitted reports.

Second, it exempts foreign reporting companies, and their U.S. person beneficial owners, from the requirement to provide the BOI of any U.S. persons who are beneficial owners of the foreign reporting company.

Finally, the interim final rule retains the requirement to file BOI reports for foreign reporting companies only, and their beneficial owners (excluding U.S. persons). Upon the publication of the interim final rule, the following deadlines apply for foreign entities that are reporting companies:

- Reporting companies registered to do business in the United States before the date of publication of the interim final rule must file BOI reports no later than 30 days from that date.
- Reporting companies registered to do business in the United States on or after the date of publication of the interim final rule have 30 calendar days to file an initial BOI report after receiving notice that their registration is effective.

FinCEN will accept comments on the March 21 Rule for 60 days and intends to issue a final rule this year.

There may be several other considerations or developments that may affect the CTA's scope and deadlines. In addition to potential legal challenges to the interim rule, the CTA is still

being challenged in several cases across the country. Also, as explained in our [law alert](#) dated February 28, 2025, there could also be CTA evolutions on the legislative front.

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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