



The End is Near for the Corporate Transparency Act

Client Advisories

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As we noted in our **advisory** on Friday, February 28, 2025, the U.S. Treasury Department's Financial Crimes Enforcement Network ("FinCEN") issued a **statement** announcing that:

- "No fines or penalties will be issued, and no enforcement actions will be taken, until a forthcoming interim final rule becomes effective and the new relevant due dates in the interim final rule have passed."
- "No later than March 21, 2025, FinCEN intends to issue an interim final rule that extends BOI reporting deadlines ..."

On Sunday, March 2, 2025, the Treasury Department issued a **press release** further announcing that the Corporate Transparency Act ("CTA") will be limited to foreign reporting companies:

- "... 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." (emphasis added)
- "The Treasury Department will further be issuing a proposed rulemaking that will narrow the scope of the rule to foreign reporting companies only."

Moments later, President Trump posted on **Truth Social** that the Treasury Department will be suspending the CTA for U.S. companies. "The Treasury Department has announced that they are suspending all enforcement of the outrageous and invasive Beneficial Ownership Information (BOI) reporting requirement for U.S. Citizens. ... Furthermore, Treasury is now finalizing an Emergency Regulation to formally suspend this rule for American businesses."

The federal government changes its tune every few days, as is evident if you have been following our advisories on the CTA. However, it appears that U.S. companies will not be required to comply with the CTA, but we will

not know for sure until FinCEN issues its new rules.

Bear in mind that FinCEN can modify its rules, but the CTA remains law until Congress repeals or amends it or the Supreme Court finds it unconstitutional. This may not be the *coup de grâce* for the CTA, but if FinCEN will not enforce it, the end is near for the CTA, at least for U.S. companies. Stay tuned for further developments.

If you have any questions, please contact **Gianfranco Pietrafesa** at gpietrafesa@archerlaw.com or 201-498-8559, or any member of Archer & Greiner's **Business Counseling Group**.

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