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Corporate Transparency Act Deadlines on Hold

February 28, 2025

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 other enforcement actions for a failure to comply with the current deadlines under the Corporate Transparency Act (the "CTA"). The CTA had been subject to a number of injunctions against enforcement over the past several months, the last of which was lifted on February 18, 2025.

The CTA requires a range of entities, primarily smaller, otherwise unregulated companies, to file a report with FinCEN identifying the entities' beneficial owners—the persons who ultimately own or control the company—and provide similar identifying information about the persons who formed the entity. The CTA also authorizes FinCEN to disclose this information to authorized government authorities and to financial institutions in certain circumstances.

FinCEN indicated that its non-enforcement position will remain in effect until a forthcoming interim final rule with new deadlines becomes effective. FinCEN stated that it expects to issue an interim final rule no later than March 21, 2025 to extend beneficial ownership information reporting deadlines, recognizing the need to provide new guidance as quickly as possible.

As a result, reporting companies will not face any adverse consequences for failing to file or update a beneficial ownership information report until FinCEN publishes new deadlines.

We continue to closely monitor further developments with respect to the CTA.

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