

Rulemaking Update

FinCEN Removes Beneficial Ownership Reporting Requirements for U.S. Companies and U.S. Persons, Sets New Deadlines for Foreign Companies

Following the Treasury Department's announcement on March 2, 2025, that it would not enforce any penalties or fines against U.S. citizens or domestic reporting companies or their beneficial owners associated with the Corporate Transparency Act's (**CTA**) beneficial ownership information (**BOI**) reporting rule, the Financial Enforcement Network (**FinCEN**) issued an [interim final rule](#) on March 21, 2025, that removes the requirement for U.S. companies and U.S. persons to report BOI to FinCEN under the CTA.

Under the revised rulemaking:

- The definition of "reporting company" now means 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.
- Foreign entities that meet the new definition of a "reporting company" and do not qualify for one of the now 24 exemptions from reporting requirements must report their BOI to FinCEN under new deadlines, detailed below.
- Foreign entities will not be required to report any U.S. persons as beneficial owners and U.S. persons will not be required to report BOI with respect to any such entity for which they are a beneficial owner. Foreign reporting companies that only have beneficial owners that are U.S. persons will be exempt from the requirement to report any beneficial owners.
- Foreign pooled investment vehicles must report the BOI of an individual who exercises substantial control over the entity if that individual is not a U.S. person. If more than one individual exercises substantial control over the entity and at least one of those individuals is not a U.S. person, the entity must report information with respect to the individual who is not a U.S. person who has the greatest authority over the strategic management of the entity. If there is no individual with substantial control who is not a U.S. person, the foreign pooled investment vehicle is not required to report any beneficial owners.

In general, the rule does not require corporations, limited liability companies, or other entities that are described in any of the now 24 specific exemptions* to file BOI reports, including SEC-registered investment advisers, SEC-filed exempt reporting advisers relying on a venture capital exemption, or private funds advised by such advisers. There may be limited scenarios in which a foreign-domiciled fund portfolio company or entity within a foreign fund structure meets the definition of a reporting company and requires reporting of its non-U.S. beneficial owners. The firm should consult with counsel if there are any questions as to whether or not an exemption applies to a given entity.

Upon the publication of the interim final rule in the Federal Register, 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.

See Press Release - <https://fincen.gov/news/news-releases/fincen-removes-beneficial-ownership-reporting-requirements-us-companies-and-us>

*31 CFR 1010.380(c)(2) / [https://www.ecfr.gov/current/title-31/part-1010/section-1010.380#p-1010.380\(c\)\(2\)](https://www.ecfr.gov/current/title-31/part-1010/section-1010.380#p-1010.380(c)(2))