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Further Update: Treasury Department Limits Enforcement Of Corporate Transparency Act To Foreign Reporting Companies

*Proposed rulemaking to
narrow BOI reporting to
foreign reporting
companies only*

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On March 2, 2025, the US Treasury Department (Treasury) announced that it will not enforce penalties or fines with respect to the Corporate Transparency Act's (CTA) beneficial ownership information (BOI) reporting requirements against US citizens or "domestic reporting companies" (*i.e.*, entities created by the filing of a document with a secretary of state or similar office under the laws of a US state or Indian tribe).

Treasury also announced that it will propose rulemaking to narrow the scope of the CTA's BOI reporting requirements to "foreign reporting companies" only (*i.e.*, entities formed under the laws of a foreign country that are registered to do business in any US state or tribal jurisdiction by the filing of a document with a secretary of state or any similar office).

Treasury's posting (available [here](#)) comes only a few days after the Financial Crimes Enforcement Network (FinCEN) announced, among other things, that no later than March 21, 2025, it intends to issue an interim final rule extending BOI reporting deadlines (as discussed in a [previous Weil Alert](#)).

In other CTA developments, on March 3, 2025, a federal district court in Michigan issued an opinion stating that the court "concludes that Plaintiffs are entitled to judgment as a matter of law declaring the CTA Reporting Rules a violation of the Fourth Amendment [of the U.S. Constitution] and enjoining operation of the CTA as to Plaintiffs and their members in the case." The case is *Small Business Association of Michigan et al. v. Janet Yellen et al.*, No. 1:24-cv-00314-RJJ-SJB (W.D. Mich. Mar. 3, 2025). It is one of the many ongoing cases relating to the CTA.

Companies should continue to monitor developments and assess whether they need to prepare BOI filings under revised requirements.

The CTA, which initially became effective on January 1, 2024, requires, among other things, certain U.S. domestic and foreign companies to report BOI to FinCEN. Extensive information regarding the CTA, FinCEN's rules, and BOI reports is available on FinCEN's website [here](#).

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