

FinCEN and Treasury Department Will Not Enforce Penalties or Fines from the Corporate Transparency Act Under Current Guidance

Latest Updates

The endless saga with the Corporate Transparency Act (“CTA”) continues. Here’s the background on what has happened so far this year:

- February 18, 2025 – The U.S. District Court for the Eastern District of Texas reinstated the Beneficial Ownership Information Report (“BOIR”) filing obligations under the CTA.
- February 19, 2025 – The Financial Crimes Enforcement Network (“FinCEN”) updated the BOIR filing deadlines for the “vast majority” of reporting companies to March 21, 2025.
- February 27, 2025 – FinCEN announced that it will not issue fines or penalties or take any enforcement actions against reporting companies if they fail to meet the upcoming BOIR deadline of March 21. FinCEN intends to issue an interim final rule which will include new relevant BOIR deadlines no later than March 21. Read FinCEN’s guidance [here](#).
- March 2, 2025 – The U.S. Department of the Treasury announced that it will not enforce any penalties or fines for failure to file BOIRs under FinCEN’s existing deadlines, nor will it “enforce any penalties or fines against U.S. citizens or domestic reporting companies or their beneficial owners after the forthcoming rule changes take effect”. The Treasury Department also indicated that it plans to issue its own proposed rule which will “narrow the scope of the rule to foreign reporting companies only.” The Treasury Department’s press release can be found [here](#).

Next Steps

While both FinCEN and the Treasury Department have stated that they will not enforce penalties against reporting companies for failing to comply with CTA reporting deadlines, the CTA itself has not yet been overturned, and litigation continues with respect to its ultimate enforceability. The future of the CTA—and its permanent enforcement—remains uncertain.

In the short term, reporting companies may voluntarily submit their BOIRs, or they can choose to wait until further guidance or rules are issued. Over the long term, litigation and changes in politics may impact future CTA reporting requirements. Our team will continue to monitor and provide updates on any developments, further responses, and clarifications from FinCEN and the courts.

Additional Information

Information on the reporting obligations for businesses under the CTA can be found on our website at www.muslaw.com/corporate.

Questions

If you have questions you would like to discuss with respect to the CTA, or assistance understanding your obligations and next steps, please contact one of the CTA Team attorneys listed below.

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