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FinCEN Announces US Companies and Persons Exempt from CTA Reporting

On March 21, 2025, the Financial Crimes Enforcement Network (FinCEN) issued an interim final rule that exempts all domestic (US) companies from reporting under the Corporate Transparency Act (CTA). Non-U.S. companies that are registered to do business in the United States (and not otherwise subject to exemption) will still have to file BOI reports, though these foreign companies need not report the beneficial ownership of U.S. equity owners. U.S. persons are exempt from having to provide any information to foreign reporting companies 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 ownership information.

For foreign companies that are required to file BOI reports, FinCEN extended the deadline for those companies to file initial BOI reports, or update or correct previously filed BOI reports, to 30 days after the date of publication of the final interim rule or 30 days after their registration to do business in the United States, whichever comes later.

Under the CTA, the Treasury Department (of which FinCEN is a part) is permitted to exempt certain classes of entities for which the Secretary of Treasury (Secretary) had determined that their reporting would not be helpful in meeting the goals of the CTA to fight money

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laundering, terrorism financing and other ills. The interim final rule provides that: "The Secretary, with the written concurrence of the Attorney General and the Secretary of Homeland Security, has determined for purposes of this interim final rule that the reporting of BOI by domestic reporting companies and their beneficial owners 'would not serve the public interest' and 'would not be highly useful in national security, intelligence, and law enforcement agency efforts to detect, prevent, or prosecute money laundering, the financing of terrorism, proliferation finance, serious tax fraud, or other crime'".

The Secretary has also directed FinCEN to solicit comments on the approach taken in the interim final rule for a period of 60 days from publication of the rule. The Secretary and FinCEN will assess this exemption, as appropriate, in light of those comments, and FinCEN intends to issue a final rule by the end of 2025 (which could modify the interim final rule).

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