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FINCEN DRAMATICALLY NARROWS THE SCOPE OF THE CORPORATE TRANSPARENCY ACT

By: Jennifer A. Golub, Esq.

In accordance with its previous announcements, on March 21, 2025, the Financial Crimes Enforcement Network (FinCEN) issued an interim final rule (Interim Final Rule) that dramatically narrowed the scope of the Corporate Transparency Act (CTA) to exempt any entity formed in the United States from the CTA's reporting obligations.

The Interim Final Rule states that the CTA only requires a beneficial ownership interest report (BOIR) to be filed by entities formed under the laws of a foreign jurisdiction that have registered to do business in any U.S. state or tribal jurisdiction by filing a document with a secretary of state or similar office. Furthermore, foreign reporting companies are not required to report the ownership interests of any beneficial owner who is a U.S. person. Initial BOIRs for foreign reporting companies are due 30 days from the date of publication of the Interim Final Rule.

The Interim Final Rule is welcome news to the millions of entities formed in the United States that were previously subject to the CTA's reporting obligations.

FinCEN is accepting comments on the Interim Final Rule for 60 days. No significant changes to such rule are expected.

For further information or to discuss, please contact Jennifer A. Golub, Esq. at jgolub@spsk.com.

DISCLAIMER: This Alert is designed to keep you aware of recent developments in the law. It is not intended to be legal advice, which can only be given after the attorney understands the facts of a particular matter and the goals of the client.

Florham Park

220 Park Avenue
Florham Park, NJ 07932
973-539-1000

Paramus

115 West Century Road
Suite 100
Paramus, NJ 07652
201-262-1600

Sparta

351 Sparta Avenue
Sparta, NJ 07871
973-295-3670

New York

9 East 40th Street
New York, NY 10016
646-652-7775