

# Treasury Department Halts Enforcement of CTA Reporting Obligations

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On March 2, 2025, the U.S. Treasury Department announced that it would not enforce penalties or fines associated with beneficial ownership information (BOI) reporting requirements under the Corporate Transparency Act (CTA) against U.S. citizens or domestic reporting companies and their beneficial owners. The Treasury Department further stated that it would issue a proposed rulemaking that will narrow the scope of the beneficial ownership reporting requirements to apply to foreign reporting companies only.

This announcement comes on the heels of the February 27th announcement by the Treasury Department's Financial Crimes Enforcement Network (FinCEN) that it would not take any enforcement actions against any companies based on any failure to file or update beneficial ownership information reports by the current March 21, 2025 reporting deadline.

In response to the Treasury Department's announcement, President Donald Trump expressed his support of the Treasury Department's position on the social media platform-Truth Social, stating that the "economic menace of BOI reporting will soon be no more."

The constitutionality of the CTA is still being contested in several federal courts, and Congress is also considering legislation which would revise or repeal multiple aspects of the CTA's reporting requirements.

Kelley Drye is continuing to monitor the status of the CTA and we remain available to assist with any questions you may have regarding the CTA.