

# ALERT

March 2025

## The Treasury Department Announces Suspension Of Enforcement Of Corporate Transparency Act Against U.S. Citizens & Domestic Reporting Companies

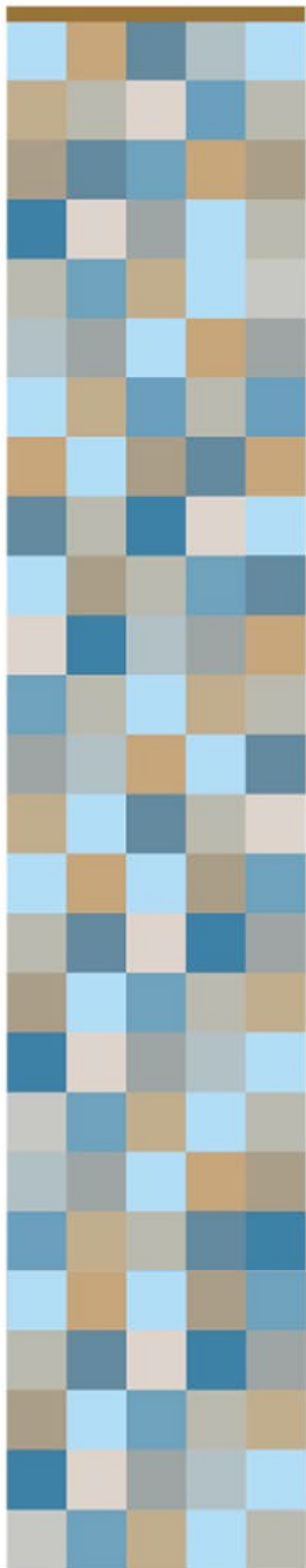
*By: Keith Braun & Joseph Giglio*

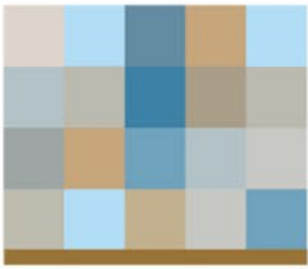
In a significant development, on March 2, 2025, the U.S. Department of the Treasury (the “**Treasury Department**”) announced that, not only will the Treasury Department not enforce any penalties or fines associated with the beneficial ownership rules promulgated under the Corporate Transparency Act (the “**CTA**”) under existing deadlines, but will further not enforce any penalties or fines against U.S. citizens or reporting companies or their beneficial owners after forthcoming rule changes. In its press release, the Treasury Department noted its intention to narrow the scope of the rule to apply to foreign reporting companies exclusively. Last week, on February 27, 2025, the Treasury Department’s Financial Crimes Enforcement Network (“**FinCEN**”) issued a release stating that FinCEN did not intend to issue any fines or penalties, nor commence any enforcement actions under the CTA prior to the effectiveness of a forthcoming interim final rule. The Treasury Department’s March 2<sup>nd</sup> announcement effectively provides that no fines or penalties or any enforcement proceedings will be imposed or undertaken against U.S. domestic entities and their beneficial owners and any new rules, and fines, penalties, and enforcement under the CTA will be limited to foreign entities and their beneficial owners.

As we previously reported, the CTA has been subject to numerous litigations in different parts of the United States, and, as a result of such litigations, deadlines for filing of Beneficial Ownership Information Reports have been suspended, resurrected, delayed, and modified. With the current releases by the Treasury Department and FinCEN, domestically-formed entities, along with their beneficial owners, are no longer required to file any BOI Report with FinCEN.

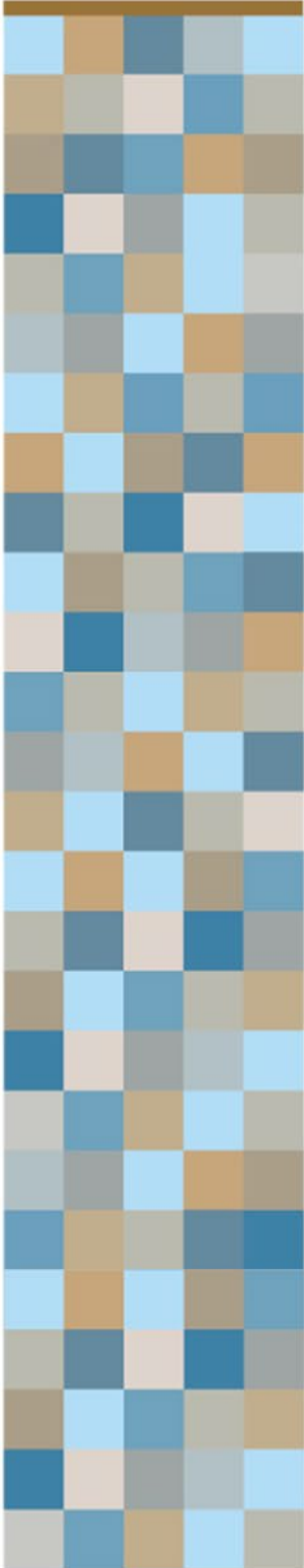
U.S. companies and their stakeholders should stay informed regarding the upcoming rule changes. Moritt Hock & Hamroff continues to monitor the situation and will continue to issue Client Alerts on the CTA, if and as appropriate. For further questions or assistance regarding the Corporate Transparency Act and its impact on your business, please feel free to reach out to your contact at MH&H.

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