

Alert

Updated March 3, 2025



FinCEN Pauses Enforcement Actions under CTA

UPDATE: Over the weekend, the Treasury Department announced an updated position regarding enforcement of the CTA stating that no fines or penalties will be enforced against U.S. citizens or domestic reporting companies or their beneficial owners even after an interim final rule takes effect. The announcement previewed that Treasury will propose rulemaking to narrow the scope of the CTA to foreign reporting companies. This move was applauded by President Trump in a post on Truth Social.

On February 27, 2025, the Financial Crimes Enforcement Network (FinCEN) announced that it will not take enforcement actions against any companies for failure to file or update beneficial ownership information (BOI) reports pursuant to the Corporate Transparency Act (CTA) by the current deadline of March 21, 2025, for most companies.

FinCEN stated that it intends to issue an interim final rule by March 21, 2025, that extends BOI reporting deadlines, and no fines or penalties will be issued, and no enforcement actions will be taken, until the interim final rule becomes effective and the new relevant due dates in the interim final rule have passed.

It remains to be seen whether any new reporting deadlines that FinCEN may implement pursuant to an interim final rule will extend beyond any court decision on the merits of the various cases challenging the constitutionality of the CTA.

Additionally, as we reported in our February 20, 2025 Alert, legislation passed the House that would extend the CTA filing deadline until January 1, 2026, and similar legislation was introduced in the Senate that, if passed, would also have an impact on these deadlines.

Cozen O'Connor will continue to monitor the status of the CTA and its filing requirements. Please send any questions to cta@cozen.com.



Larry P. Laubach

**Co-Chair,
Corporate
Practice Group**

llaubach@cozen.com
Phone: (215) 665-4666
Fax: (215) 701-2346



Ingrid Welch

**Member &
General Counsel**

iwelch@cozen.com
Phone: (215) 665-4616
Fax: (215) 665-2013



Steven P. Katkov

Member

skatkov@cozen.com
Phone: (612) 260-9037
Fax: (214) 462-3299

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