

# Treasury May Be Shifting CTA Reporting Rule Away from Domestic and Toward Foreign Reporting Companies

Article By:

Jeffery L. LaBine

Joseph D. Gustavus

Scott R. Lesser

Jeffrey G. Richardson

---

On March 2, 2025, the United States Department of Treasury announced that it will not enforce fines or penalties based on the existing deadlines for reporting beneficial ownership information under the CTA beneficial ownership reporting rule.[1] This follows earlier guidance issued by FinCEN.[2]

Treasury further announced that it will be engaging in proposed rule-making to limit the CTA reporting rule to *foreign reporting companies*, noting that even after the new rules are in effect, it will not enforce any fines or penalties on any *U.S. citizens, domestic reporting companies or their beneficial owners*. No other details of the proposed rule-making or its timing were announced, including whether any changes might be proposed as to the definitions of domestic[3] or foreign[4] reporting companies under the reporting rule or any exemptions.

Treasury noted that this action is “in the interest of supporting hard-working American taxpayers and small businesses and ensuring that the rule is appropriately tailored to advance the public interest.”

---

[1] See [Treasury Department Announces Suspension of Enforcement of Corporate Transparency Act Against U.S. Citizens and Domestic Reporting Companies | U.S. Department of the Treasury](#).

[2] On February 18, 2025, the Financial Crimes Enforcement Network of the Department of Treasury (FinCEN) issued a notice extending beneficial ownership reporting deadlines for most reporting companies to March 21, 2025. See FinCEN Notice, FIN-2025-CTA1, [FinCEN Extends Beneficial Ownership Information Reporting Deadline by 30 Days; Announces Intention to Revise Reporting Rule](#) (February 18, 2025) and an updated FinCEN Alert (February 19, 2025) [Beneficial Ownership Information Reporting | FinCEN.gov](#). Subsequently, on February 27, 2025, FinCEN announced that it was suspending enforcement of the CTA reporting rule, including any fines or penalties, pending its further extension of reporting deadlines in an interim reporting rule to be issued not later than December 21, 2025. See [FinCEN Not Issuing Fines or Penalties in Connection with Beneficial](#)

[3] A “domestic reporting company” is currently defined under the CTA and the reporting rule as any entity that is formed by filing a document with a secretary of state or similar office under the laws of a State or Indian tribe (including, for example, most LPs, LLPs and statutory, business and other trusts if the laws of a state or tribal jurisdiction require such filing to create the entity), subject to exemptions from the definition included in the CTA and the reporting rule. See 31 U.S.C. § 5336(a)(11)(A)(i) and 31 CFR 1010.380(c)(1)(i).

[4] A “foreign reporting company” is currently defined under the CTA and the reporting rule as any entity that is formed under the laws of a foreign country and registered to do business in the United States by the filing of a document with a secretary of state or similar office under the laws of a State or Indian tribe subject to exemptions from the definition included in the CTA and the reporting rule. See 31 U.S.C. § 5336(a)(11)(A)(ii) and 31 CFR 1010.380(c)(1)(ii).

© 2025 Miller, Canfield, Paddock and Stone PLC

---

National Law Review, Volume XV, Number 63

Source URL: <https://natlawreview.com/article/treasury-may-be-shifting-cta-reporting-rule-away-domestic-and-toward-foreign>