
Hughes Hubbard & Reed

Domestic Reporting Companies and US Persons No Longer Subject to CTA

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March 24, 2025 – On March 21, the Financial Crimes Enforcement Network (FinCEN) adopted an interim rule eliminating the beneficial ownership information (BOI) reporting requirements under the Corporate Transparency Act (CTA) for all domestic reporting companies (entities that are created or formed in the U.S.), no matter if their beneficial owners are U.S. or non-U.S. persons. Domestic reporting companies that have previously filed under the CTA are not required to make any corrections to previously filed reports.

Foreign reporting companies (entities that are created or formed outside the U.S. but are registered to do business in any U.S. state or territory) are still required to file under the CTA. The interim rule does exempt foreign reporting companies from having to report the BOI for any U.S. persons who are beneficial owners. It also exempts U.S. persons that are beneficial owners of a foreign reporting company from having to provide any BOI to such foreign reporting company for purposes of filing under the CTA.

The interim rule gives foreign reporting companies an additional 30 days from March 21st to file or correct their previous CTA filings or 30 days after their registration to do business in the U.S. (whichever comes later).

FinCEN has also revised the reporting requirements relating to foreign pooled investment vehicles whereby such vehicles must report the BOI of an individual who exercises substantial authority over the entity if that individual is not a U.S. person.

FinCEN is accepting comments from the public on this interim final rule and intends to issue a final rule later this year.

Hughes Hubbard was counsel of record in *NSBU v. Yellen*, the first suit successfully challenging the constitutionality of the CTA, brought in Alabama federal district court in November 2022, which resulted in summary judgment against the U.S. government in March 2024. It is currently on appeal in the Eleventh Circuit. Supplemental briefing before the appeals court regarding whether the case is moot because of the interim rule has been scheduled.

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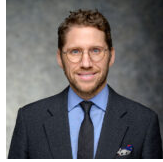
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