

March 05, 2025

CORPORATE TRANSPARENCY ACT UPDATE: TREASURY DEPARTMENT SUSPENDS ENFORCEMENT

On March 2, 2025, the U.S. Treasury Department announced in a press release that it will not enforce any penalties or fines associated with the Corporate Transparency Act (CTA) reporting requirements for domestic reporting companies or U.S. citizens. The Treasury Department further stated that it intends to issue a proposed rulemaking that would narrow the scope of the CTA to apply to only foreign reporting companies. The Treasury Department's announcement follows a notice from the Financial Crimes Enforcement Network (FinCEN) issued on February 27, 2025, in which FinCEN stated it will not take any actions to enforce the upcoming reporting deadline until they revise the deadline and reporting requirements. As of the date of this publication, domestic reporting companies **will not be fined or penalized for not complying** with the CTA's reporting deadline. Until further development on the CTA, reporting companies may choose to report their beneficial ownership information or wait until further developments unfold. Domestic reporting companies who choose to wait to file will not be penalized for not filing beneficial ownership reports.

JAH Can Help

If you have any questions regarding the Corporate Transparency Act reporting requirements, **contact a member of our Corporate & Non-profit Practice Group** or **watch our CTA explainer video**.

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