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The Corporate Transparency Act - Update - FinCen Issues Interim Final Rule - CTA is Narrowed to Only Apply to Limited Subset of Foreign Companies

Alert

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On March 21, 2025, the Financial Crimes Enforcement Network of the U.S. Department of the Treasury (“FinCEN”) issued an [interim final rule](#) that narrows the scope of the Corporate Transparency Act and related regulations (collectively, the “CTA”) so that the definition of “reporting company” now only means a limited subset of foreign companies, and will not be enforced against U.S. citizens, domestic reporting companies or their beneficial owners.

This is all consistent with the U.S. Department of the Treasury’s March 2, 2025 announcement, as discussed in [our prior client alert](#).

Are domestic U.S. reporting companies still required to file CTA reports?

No. Under the interim final rule, entities previously known as “domestic reporting companies” will no longer fall within the amended definition of “reporting company” and, furthermore, will be expressly exempt from CTA requirements. Thus, domestic reporting companies will no longer be required to file CTA reports, or to update or correct CTA reports which were previously filed.

Moreover, FinCEN’s announcement of the interim final rule expressly states that FinCEN “will not enforce any beneficial ownership reporting penalties or fines against U.S. citizens or domestic reporting companies or their beneficial owners,” reiterating the March 2, 2025 announcement by U.S. Department of the Treasury.

Are foreign reporting companies still required to file CTA reports?

Yes, although only for the limited subset of foreign companies that will fall within the amended definition of “reporting company” under the interim final rule, as discussed below. Under the interim final rule, those entities will still be required to file CTA reports. However, their filing deadline will be extended to 30 days from the date of the interim final rule (i.e., April 21, 2025) or 30 days after their registration to do business in the United States, whichever comes later.

For those foreign companies that fall within the amended definition of “reporting company” and have not yet filed their CTA reports, such companies should promptly complete their CTA analyses, gather information on beneficial owners, and prepare and file their CTA reports by the updated filing deadline.

What is meant by a “reporting company” under the amended

definition?

Under the interim final rule, the term “reporting company” will mean any entity that is: (i) a corporation, limited liability company, or other entity; (ii) formed under the law of a foreign country; and (iii) registered to do business in any State or tribal jurisdiction by the filing of a document with a secretary of state or any similar office under the law of that State or Indian tribe. Prior to the interim final rule, the foregoing was the definition of “foreign reporting company”.

The term “foreign reporting company” does not appear to include a U.S. subsidiary of a foreign entity, as the subsidiary itself would technically be a domestic entity. Foreign entities commonly transact business in the United States through a U.S. subsidiary which they have formed (for tax purposes, among other reasons), and so the amended definition only appears to apply to a very narrow subset of foreign entities.

What about the fact that this is only an “interim” final rule?

The interim final rule will be effective once it is published in the Federal Register, although FinCEN is accepting comments on this interim final rule and intends to finalize it later this year. Nonetheless, all exemptions and deadline extensions in the interim final rule should still apply now. In connection with its issuance of the interim final rule, FinCEN announced as follows:

- *In accord with its prior notices and the Department of the Treasury’s March 2, 2025, announcement, FinCEN is applying all exemptions and deadline extensions in the interim final rule as of today, in advance of formal publication in the Federal Register, and will further not enforce any beneficial ownership reporting penalties or fines against U.S. citizens or domestic reporting companies or their beneficial owners.*

What if I have legal questions?

Our firm has closely followed the CTA since the regulations were enacted and will continue to monitor it for any updates. If you would like assistance from our law firm, including how the CTA may affect you, please do not hesitate to contact your Windels Marx relationship lawyer or one of the following members of our Corporate and Securities Practice Group: [Charles Damato](#), [Christopher Dean](#), [Benjamin Fink](#), [Jonathan Gray](#), [Gregory Krauss](#), [Jonathan Kret](#), [Michael Moriarty](#), [Robert Rossi](#) or [Robert Schwartz](#).

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