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News & Insights

Beneficial Ownership Reporting Requirements Removed for U.S. Companies and U.S. Persons

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Hall Estill News

https://conta.cc/4hKFhLv

On March 21, 2025, the Financial Crimes Enforcement Network of the U.S. Treasury Department ("FinCEN") issued an interim final rule that removes the requirement for U.S. companies and U.S. persons to report beneficial ownership information ("BOI") to FinCEN under the Corporate Transparency Act.

As a result, all entities created in the United States and their beneficial owners will be exempt from the requirement to report BOI to FinCEN. Foreign entities that meet the new definition of a "reporting company" and do not qualify for an exemption from the reporting requirements must report their BOI to FinCEN under new deadlines proposed in the interim final rule. These foreign entities, however, will not be required to report any U.S. persons as beneficial owners, and U.S. persons will not be required to report BOI with respect to any such entity for which they are a beneficial owner.

While comments are being accepted on the interim final rule, these developments represent a dramatic reversal from the compliance and reporting obligations under the Corporate Transparency Act which would have affected millions of U.S. formed and owned businesses

If you have questions, please contact a Hall Estill lawyer in our Corporate and Business Services group for further guidance.

Practices

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