# Update Regarding the Corporate Transparency Act




*3/10/2025*

**Background**

The Corporate Transparency Act of 2019 (CTA) was enacted to create a federal database of the beneficial ownership information of certain entities and provide law enforcement with access to such data. As of January 1, 2024, certain entities (Reporting Companies) have been required to file beneficial ownership information reports (BOI Reports) with FinCEN, a department within the U.S. Department of the Treasury. BOI Reports identify who owns or controls certain entities and the applicants who formed or registered these entities. Reporting Companies include (1) domestic legal entities created by the filing of a document with a secretary of state or similar office, and (2) foreign legal entities that have registered to do business in any U.S. State or Tribal jurisdiction by filing a document with a secretary of state or similar office. However, the CTA exempts twenty-three (23) categories of entities from the CTA's beneficial ownership information reporting requirements.

Under the CTA, willful failure to complete or update an entity's BOI Reports or providing false or fraudulent information can result in civil or criminal penalties. Civil penalties include monetary fines of up to $500 for each day that the violation continues, while criminal penalties include imprisonment for up to two years and/or a fine of $10,000.

**Update**

On March 2, 2025, the U.S. Department of the Treasury announced that, with respect to the CTA, it will not enforce any penalties or fines associated with the beneficial ownership information reporting rule under the existing regulatory deadlines, it will further not enforce any penalties or fines against U.S. citizens or domestic Reporting Companies or their beneficial owners after forthcoming changes to that rule take effect, and it will be issuing a proposed rulemaking that will narrow the scope of that rule

to foreign Reporting Companies only.

The above-described announcement follows FinCEN's February 18, 2025 announcement that the beneficial ownership information reporting requirements under the CTA are back in effect with the following updated deadlines:

- For the vast majority of Reporting Companies, the deadline to file an initial, updated, and/or corrected BOI Report is March 21, 2025.
- Reporting Companies that were previously given a reporting deadline later than the March 21, 2025 deadline must file their initial BOI report by that later deadline.

Additional information can be found on **FinCEN's website**.

If you have any questions about this article, please contact any of the attorneys listed below or your usual Brach Eichler contact person.

**John D. Fanburg**, *Managing Member and Chair*, Healthcare Law Practice, at jfanburg@bracheichler.com or 973-403-3107

**Edward Hilzenrath**, *Member*, Healthcare Law Practice, at ehilzenrath@bracheichler.com or 973-403-3114

**David L. Tsin**, *Counsel*, Corporate Transactions & Financial Services Practice, at dtsin@bracheichler.com or 973-364-5237

## Authors

The following attorneys contributed to this insight.



### John D. Fanburg

**Managing Member**
Healthcare Law, Cannabis Industry

973.403.3107 · 973.618.5507 Fax

jfanburg@bracheichler.com



### Edward Hilzenrath

**Member**
Healthcare Law

973.403.3114 · 973.618.5594 Fax

ehilzenrath@bracheichler.com



### David L. Tsin

**Counsel**
Corporate Transactions & Financial Services

973.364.5237 · 973.629.1507 Fax

dtsin@bracheichler.com