



Corporate Transparency Act Enforcement Paused; Proposed Rule Eliminates Filing Requirement for Domestic Companies

On March 2, 2025, the U.S. Department of the Treasury (U.S. Treasury) issued a [press release](#) that suspended enforcement of the Corporate Transparency Act (CTA) against U.S. companies and announced its intention to propose a rule change narrowing the scope of the CTA to Foreign Reporting Companies only. Foreign Reporting Companies are entities formed under the laws of a foreign country that have registered to do business in the United States.

Separately, on February 27, 2025, the Financial Crimes Enforcement Network (FinCEN), a division of the U.S. Treasury responsible for enforcing the CTA, announced it would not issue fines or penalties regarding the CTA until it could propose a new rule. The U.S. Treasury has expanded upon FinCEN's announcement, stating that it will not enforce the CTA against U.S. citizens or domestic Reporting Companies going forward, including after the proposed rule change.

As noted in our [previous alert](#) regarding CTA enforcement, the suspension of enforcement and proposed rule change are consistent with FinCEN's goal of reducing the burden of filing, particularly for U.S.-based businesses. It is worth noting that the proposed rule change is inconsistent with the text of the CTA and it is unclear whether any challenges to the proposed rule change will occur. Reinhart will continue to monitor developments. For more information and questions, contact a member of the Corporate Law Practice or your Reinhart attorney.

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