BERGER SINGERMAN
FLORIDA'S BUSINESS LAW FIRM

CLIENT ALERT: U.S. TREASURY ANNOUNCEMENT RE: CORPORATE TRANSPARENCY ACT COMPLIANCE ENFORCEMENT

March 3, 2025

Overview

On March 2, 2025, the U.S. Treasury Department made a significant announcement regarding the enforcement of the Corporate Transparency Act's beneficial ownership information reporting rule. This announcement has important implications for U.S. citizens, domestic reporting companies, and their beneficial owners.

Key Points

1. Non-Enforcement of Penalties and Fines: The Treasury Department has declared not only will it not enforce any penalties or fines associated with the beneficial ownership information reporting rule under the existing regulatory deadlines, but it will further not enforce any penalties or fines against U.S. citizens or domestic reporting companies or their beneficial owners after the forthcoming rule changes take effect either.
2. Proposed Rulemaking: The Treasury Department plans to issue a proposed rulemaking that will narrow the scope of the beneficial ownership information reporting rule to apply only to foreign reporting companies. This move is intended to support American taxpayers and small businesses by ensuring that the rule is appropriately tailored to advance the public interest.

Implications for Clients

- Relief from Immediate Compliance Pressure: Clients who are U.S. citizens or domestic reporting companies can take comfort in the fact that they will not face penalties or fines for non-compliance with the current beneficial ownership reporting requirements. This provides immediate relief from the pressure to meet existing regulatory deadlines.
- Future Compliance Considerations: While the current enforcement of penalties is suspended, clients should remain vigilant about future rule changes. The proposed rulemaking indicates a shift in focus towards foreign reporting companies, which may alter compliance obligations for some entities.

Recommended Actions

- Stay Informed: Clients should monitor updates from the Treasury Department regarding the proposed rulemaking and any further announcements related to the Corporate Transparency Act.

Existing CTA clients should reach out to our CTA Task Force at info@bergersingerman.com with any questions or for further assistance. Companies that are not existing CTA clients can contact us to discuss potential engagement for CTA compliance matters.

This Client Alert is intended to be a general summary of the law and does not constitute legal advice. You should consult with counsel to determine applicable legal requirements in a specific fact situation.

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