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FinCEN Removes Beneficial Ownership Reporting Requirements for U.S. Companies: What It Means

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By The Guillen Pujol CPA Group Newsroom

Beneficial Ownership Information (BOI), FinCEN Reporting

FinCEN issued an interim final rule that exempts all U.S.-formed entities from having to report Beneficial Ownership Information.

March 25, 2025—In a major shift to beneficial ownership reporting requirements, the U.S. Treasury's Financial Crimes Enforcement Network (FinCEN) has issued an interim final rule that exempts all U.S.-formed entities from having to report beneficial ownership information (BOI). This sweeping exemption dramatically changes the beneficial ownership reporting requirements established under the Corporate Transparency Act and is effective immediately.

FinCEN's updated rule redefines which companies must comply with beneficial ownership reporting requirements, focusing solely on foreign entities operating in the U.S. by way of state or tribal registration. As a result, U.S.-formed businesses — previously categorized as "domestic reporting companies" — are no longer required to file BOI reports.

FinCEN's Redefined Scope of Beneficial Ownership Reporting Requirements

This regulatory change marks a pivotal development in how the U.S. government handles transparency in corporate structures. Previously, all entities created by filing with a state office were obligated to disclose their beneficial owners. However, this responsibility now shifts exclusively to certain foreign entities.

In addition, this change eliminates a major reporting burden for domestic small and midsize businesses. Notably, companies owned by U.S. persons are no longer required to report such ownership unless they meet the new definition of a foreign reporting company.

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What This Means for U.S. Companies and the Future of Beneficial Ownership Reporting Requirements

Before this update, tens of millions of U.S. small and midsize businesses were subject to beneficial ownership reporting requirements. These reports collected personal identifying details on individuals who owned or controlled 25% or more of a company. Now, FinCEN has made it clear that these U.S. companies and their beneficial owners are fully exempt. Therefore, these businesses are no longer required to submit information under the Corporate Transparency Act. This move reduces administrative overhead and aligns with FinCEN's narrowed enforcement priorities.

New Beneficial Ownership Reporting Requirements for Foreign Entities

Under the revised framework, only foreign reporting companies remain subject to beneficial ownership reporting requirements. These include entities formed under foreign law but registered to do business in any U.S. state or tribal jurisdiction.

Key Deadlines:

- Foreign entities already registered in the U.S. before March 21, 2025, must file their BOI report within 30 days of that date.
- Foreign entities registered on or after March 21, 2025, have 30 days from effective registration notice to file.

Importantly, U.S. persons involved in these foreign entities will not be required to file BOI, further reducing compliance obligations for U.S. taxpayers under these beneficial ownership reporting requirements.

How Beneficial Ownership Reporting Requirements Impact Compliance and Tax Planning

The elimination of beneficial ownership reporting requirements for domestic companies reduces the regulatory burden, especially for startups, closely held corporations, and LLCs. Even so, businesses must remain attentive to ongoing FinCEN guidance and potential revisions to the rule.

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FinCEN is currently accepting public comments and intends to finalize this rule later this year. Therefore, companies are encouraged to monitor further updates closely or consult with a trusted CPA Tax Advisory firm.

Read more:2025 Tax Calendar: Never Miss a Deadline – Sync with Google Calendar

For Companies: What to Do Now

- **If you are a U.S. entity:** No action is needed. FinCEN now exempts you from BOI reporting under the new rule.
- **If you are a foreign entity doing business in the U.S.:** Review your registration status and prepare to file your BOI report within the new 30-day timeframe.
- **If you're unsure of your obligations:** Consult a CPA firm for guidance on compliance and corporate maintenance.

We will continue monitoring FinCEN's regulatory updates and provide guidance as new rules are finalized.

Need help navigating BOI or your Broader Tax Strategy?

The Guillen Pujol CPA Group team has helped thousands of businesses and individuals meet their Beneficial Ownership Information reporting requirements with accuracy and confidence. Whether you are seeking guidance on high income tax planning, need an international tax accountant, or are looking for the best CPA firms for small businesses and midsize businesses within the U.S. or worldwide, we're here to assist. We specialize in international tax planning, corporate maintenance for businesses of all sizes, outsourced accounting services, and complex matters such as capital gains tax on foreign property, comprehensive tax advisory, Miami-Dade real estate taxes and all real estate taxes nationwide, as well as the full suite of international tax CPA services. Let us help simplify the complex — so you can focus on growth.
For official information, visit FinCEN.gov.

Check our Interactive 2025 Tax Calendar by clicking here.

How We Got Here: A Timeline of CTA BOI Reporting Legal Challenges

The Corporate Transparency Act (CTA), enacted in 2021, aimed to combat financial crimes by mandating U.S. businesses to disclose their beneficial owners to FinCEN. However, since its passage, the law has faced

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significant legal challenges and regulatory shifts. Below is a timeline highlighting the key developments:

- **January 1, 2024**: The original BOI reporting requirements take effect, requiring businesses to disclose ownership information.
- **December 3, 2024**: A Texas federal judge issues an injunction, blocking enforcement of the CTA nationwide.
- **January 7, 2025:** Judge Jeremy D. Kernodle extends the CTA's enforcement block, prolonging uncertainty for businesses.
- **January 23, 2025:** The U.S. Supreme Court lifts a separate injunction in *McHenry v. Texas Top Cop Shop*, indicating that BOI reporting could be reinstated.
- **February 5, 2025:** The U.S. Department of Justice (DOJ) requests the Texas district court to lift its injunction, aligning with the Supreme Court's ruling.
- **February 17, 2025:** Judge Kernodle lifts the final nationwide block, restoring BOI reporting mandates.
- **February 19, 2025:** FinCEN announces that BOI reporting is now mandatory, setting a new deadline of March 21, 2025 for most businesses.
- **February 27, 2025:** FinCEN states it will not issue fines or penalties for failure to file or update BOI reports by the March 21 deadline, pending the issuance of a forthcoming interim final rule.
- **March 2, 2025:** The Treasury Department announces plans to suspend enforcement of the CTA against U.S. citizens and domestic reporting companies, indicating forthcoming rule changes.
- **March 21, 2025:** FinCEN issues an interim final rule removing the requirement for U.S. companies and U.S. persons to report BOI, revising the definition of "reporting company" to focus on certain foreign entities.

Check our Interactive 2025 Tax Calendar [by clicking here.]

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Editor's Note: This post is part of the 'The GPCPAs Info Hub,' an initiative dedicated to empowering you with the knowledge and strategies needed to navigate the complexities of the U.S. tax system and financial

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Disclaimer: This article reflects the legal status as of March 25, 2025. Businesses are advised to consult with legal and tax professionals for the most current information.

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