

UPDATED FinCEN's New Interim Final Rule (1) Exempts Domestic Companies from Corporate Transparency Act Reporting and (2) Sets New Deadlines for Reporting by Foreign Companies

April 8, 2025

THIS UPDATES OUR ALERT DATED MARCH 24, 2025.

On March 21, 2025, the Financial Crimes Enforcement Network (FinCEN) of the U.S. Department of Treasury (Treasury) issued a new interim final rule (new IFR) significantly limiting the scope of reporting required under the Corporate Transparency Act (CTA). "Domestic reporting companies" (now referred to as "domestic entities") are exempt from reporting beneficial ownership information. Instead, "reporting companies" are limited to those entities previously defined as "foreign reporting companies." Even as to foreign reporting companies, beneficial ownership information regarding any U.S. person need not be reported.

This approach is consistent with the announcements from FinCEN on February 27, 2025, and from Treasury on March 2, 2025. See our alerts dated March 4, 2025, Treasury May Be Shifting CTA Reporting Rule Away from Domestic and Toward Foreign Reporting Companies: Miller Canfield, and February 28, 2025, FinCEN Again Delays CTA Reporting Deadlines and Suspends Enforcement: Miller Canfield.

FinCEN had also stated its intention to apply the exemption and deadline extensions in the new IFR as of March 21, 2025, in advance of publication in the *Federal Register*. We note that the new IFR, as published in the *Federal Register*, is effective as of March 26, 2025, and uses that date to set the new April 25, 2025, deadline for reporting beneficial ownership information for nonexempt foreign reporting companies.

Here is a summary of the most significant amendments to the Reporting Rule:

- **Changes** the definition of "reporting company" to include *only* a foreign entity (previously a "foreign reporting company"). [3]
- **Adds** a new exemption from the definition of "reporting company" for any "domestic entity" (previously a "domestic reporting company"), thereby removing all domestic entities and their beneficial owners from the scope of any CTA initial reporting, correction, or update requirements. [4]
- **Exempts** (foreign) reporting companies from reporting beneficial ownership information with respect to any U.S. person beneficial owners. Thus, a foreign reporting company that has only U.S. person beneficial owners will be exempt from reporting any beneficial owners.
- **Exempts** U.S. persons from having to provide beneficial ownership information to any foreign reporting company as to which they are beneficial owners.
- **Revises** a special rule applicable to "foreign pooled investment vehicles" to exempt such investment vehicles from having to report beneficial ownership information of U.S. persons who exercise substantial control over the entity.
- **Sets new reporting deadlines** for foreign entities that are nonexempt reporting companies as follows:
 - Initial reports:

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- Reporting companies that that were registered to do business in the U.S. **before March 26, 2025** must file beneficial ownership information reports **no later than April 25, 2025**.
- Reporting companies that that were registered to do business in the U.S. **on or after March 26, 2025** must file beneficial ownership information reports **no later than 30 calendar days of the earlier of (i)** the date the reporting company receives **actual notice that its registration is effective**, or **(ii)** the date on which a secretary of state or similar office provides **public notice** that the reporting company has been **registered to do business**.
- Updated reports: The deadline for reporting any change to required information previously submitted, is the **later of (i) April 25, 2025, or (ii) 30 calendar days after the change occurs**.
- Corrected reposts: The deadline for reporting any change to required information previously submitted, is the **later of (i) April 25, 2025, or (ii) 30 calendar days after the reporting company becomes aware or has reason to know change occurs**.

For background and further information regarding the CTA and the reporting rule, please visit Corporate Transparency Act: Miller Canfield.

If you have questions about your CTA-related engagement with the firm, please contact your Miller Canfield lawyer or one of the authors of this alert for further guidance.

[1] New interim final rule ("IFR") available at: Beneficial Ownership Information Reporting Requirement Revision and Deadline | FinCEN.gov. The Reporting Rule, as amended, is available at: <https://www.federalregister.gov/documents/2022/09/30/2022-21020/beneficial-ownership-information-reporting-requirements>

[2] The CTA refers to the definition of United States person as set forth in Section 7701(a)(30) of the Internal Revenue Code of 1986) which includes U.S. citizens and lawful permanent residents, among others. 26 U.S. Code § 7701 - Definitions | U.S. Code | US Law | LII / Legal Information Institute.

[3] The new "reporting company" definition in the IFR is "[a]ny entity that is: (A) a corporation, limited liability or other entity; (B) formed under the law of a foreign country; and (C) registered to do business in any State or tribal jurisdiction by the filing of a document with the secretary of state or any similar office under the law of that state or Indian tribe."

[4] The new "domestic entity" definition in the IFR is "[a]ny entity that is: (A) corporation, limited liability company or other entity; and (B) created by the filing of a document with a secretary of state or any similar office under the law of a State of Indian Tribe."