

CORPORATE TRANSPARENCY ACT SUSPENDED

On March 2, 2025, the U.S. Treasury Department announced that it will not enforce any penalties or fines associated with the Beneficial Ownership Information (“BOI”) reporting requirements under the Corporate Transparency Act (“CTA”). The Treasury Department has announced that it will propose revisions to the CTA narrowing the scope of the rule to require BOI filings only by foreign reporting companies.

Notably, the Financial Crimes Enforcement Network (“FinCen”) website has not yet been updated to reflect the announced change in policy.

*Corporate
Transparency*

ACT

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PLDO has been covering the CTA since it was first passed by Congress and has published multiple Advisories to guide businesses. Attorney Alisa F. Hoover, Senior Counsel and member of the firm’s Corporate & Business Law team, provides the latest update and answers key questions below:

Background

The CTA was enacted on January 1, 2021, as part of the 2021 National Defense Authorization Act to assist in combating money laundering, tax evasion, the financing of terrorism, and other illegal activity. The purpose was to 1) establish reporting requirements for a wide range of business entities to disclose their “ultimate, natural-person beneficial owners,” 2) authorize FinCEN to maintain

a database of all information provided, and 3) disclose such information to government authorities and certain financial institutions.

Since its enactment, the CTA has been the subject of immense litigation challenging its constitutionality, resulting in the issuance of nationwide injunctions, stays of those injunctions by the U.S. Supreme Court, the lifting of injunctions and yet more litigation in new venues seeking to declare the CTA unconstitutional.

Who Has Access to the Information a Business Reports?

While public access to FinCEN’s database is NOT permitted, certain authorities may have access to the information a business reports, including:

- Federal agencies engaged in national security, intelligence or law enforcement;
- With prior court approval, state and local law enforcement agencies;
- Financial institutions for certain specified purposes and the federal regulators which supervise those institutions;
- Certain foreign agencies that meet all of the stated criteria; and
- US Treasury employees whose official duties require such access.

*advisory***Summary**

PLDO will continue to monitor the CTA and provide updates as they become available.

If you have questions or would like further information about the CTA, please contact Attorney Alisa Hoover at 401-824-5137 or email ahoover@pldolaw.com.



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