

# COMMERCIAL COMPLIANCE ALERT

Wednesday, March 5, 2025



**HANDLER LAW, LLP**  
ATTORNEYS AND COUNSELORS AT LAW

The Treasury Department announced (<https://home.treasury.gov/news/press-releases/sb0038>) on Sunday evening, March 2, 2025, that "...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 US citizens or domestic reporting companies or their beneficial owners after the forthcoming rule changes take effect."

In brief summary, this means that the Corporate Transparency Act (CTA) enforcement has once again changed. As it stands (currently):

- | The most recent Beneficial Ownership Information (BOI) report filing deadline of March 21, 2025, is on hold.
- | The Department of Treasury will propose new rulemaking that will narrow the scope of the beneficial owner reporting rules to apply to foreign reporting companies only.
- | No fines or penalties will be enforced against US Citizens, domestic reporting companies, or their beneficial owners under the existing regulatory deadlines - nor after the forthcoming rule changes take effect.
- | Foreign entities or entities with foreign partners would be well served to get their reporting information in order in anticipation of the issuance of the new rule changes becoming effective at any time.

**Background:** In September 2022, the Treasury Department initiated rulemaking authorizing its Financial Crimes Enforcement Network (FinCEN) to create a database that would contain personal information on the owners of US businesses as part of an effort to support law enforcement, increase transparency and combat illicit finance. This rule was duplicative and inefficient in that the Treasury Department already maintains a similar database at taxpayer expense. It is very difficult to see the need for two, duplicative Federal government databases, particularly in view of the new Department of Government Efficiency ("DOGE") mandate and the inherent Constitutional issues relating to confidentiality and privacy. These rights have been consistently eroded since passage of the well-intended but incredibly broad Patriot Act.



The Corporate Transparency Act and its implementation regulations (collectively, the “CTA”), effective January 1, 2024, requires corporations, limited liability companies, and certain other entities to file a Beneficial Owner Information Report (BOI) with the Financial Crimes Enforcement Network (FinCEN), unless the company falls under one or more of the CTA’s exemptions.

**Bottomline:** The rules initially carried the deadline of January 1, 2024, for U.S. domestic reporting companies to register their business owners with the government. While legal efforts to undue the rules have been thwarted, deadlines for filing have been altered to the most recent deadline of March 21, 2025, and as of Sunday, enforcement has changed pursuant to the recent March 2, 2025, press release from the Treasury. While we cannot opine on future rules or the enforcement of such rules, it is noted that President Trump, on Sunday following the Treasury’s issuance of its press release, commented on his Truth Social media site, praising the suspension of enforcement of the rule and stating that the database is “outrageous and invasive.”

If you have questions regarding the rule applicability to your facts or circumstances or if we may otherwise be of service, please contact us at Handler Law, LLP.

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