

CLIENT ALERT

Corporate Transparency Act: FinCEN Announces It Will Not Issue Fines or Penalties for Failure to File or Update BOI by March 21, 2025

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On February 27, 2025, the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) announced it would not "issue any fines or penalties or take any other enforcement actions against any companies based on any failure to file or update beneficial ownership information (BOI) reports pursuant to the Corporate Transparency Act [CTA] by the current deadlines."^[1]

For the vast majority of reporting companies, FinCEN recently extended the BOI reporting deadline to March 21, 2025.^[2] By that date, FinCEN intends to issue an interim final rule that extends BOI reporting deadlines and provides further guidance.^[3] In the meantime, FinCEN has promised that no fines or penalties will be issued, and no enforcement actions will be taken, until that interim final rule becomes effective and the new relevant due dates (which will be published in the interim final rule) have passed.^[4]

FinCEN also announced that it intends to solicit and consider public comments on potential revisions to existing BOI reporting requirements as part of a notice of proposed rulemaking anticipated to be issued later this year.

WHAT NOW?

To the extent they have not done so already, the vast majority of reporting companies that have compliance requirements under the CTA—including the requirement to file an initial, amended or corrected BOI report—should be prepared to file BOI reports after FinCEN's announcement of the new relevant due dates (likely later this year).

We will continue to track the latest developments with the CTA and BOI Reporting Rule. Stay tuned, and please reach out to any of the Winston CTA Task Force attorneys with any questions.

[1] See "FinCEN Not Issuing Fines or Penalties in Connection with Beneficial Ownership Information Reporting Deadlines," FinCEN website, February 27, 2025, <https://www.fincen.gov/news/news-releases/fincen-not-issuing-fines-or-penalties-connection-beneficial-ownership> ("FinCEN Announcement").

[2] Those excluded are: (i) reporting companies that were previously given a reporting deadline later than March 21, 2025 (e.g., because they qualify for certain disaster relief extensions); and (ii) plaintiffs in the *National Small Business United v. Yellen* case.

[3] See FinCEN Announcement.

[4] See *id.*

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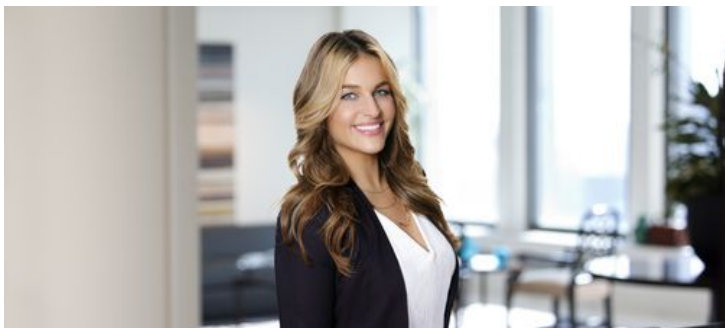
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