



CLIENT
ALERT

BUSINESS, CORPORATE & SECURITIES

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March 3, 2025

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Corporate Transparency Act: Is This the End?

Fourteen months after taking effect, and three months after the start of a roller coaster ride of judicial decisions and proposed legislation impacting the enforceability and enforcement of the Corporate Transparency Act (“CTA”), after a Sunday night announcement, it appears that the CTA may be reaching its end, at least for U.S. citizens and domestic reporting companies.

As noted in our prior [client alert](#), the deadline for compliance with the CTA had been extended for most companies until March 21, 2025.

However, on March 2, 2025, the U.S. Department of the Treasury (the “Treasury Department”) issued a [press release](#) in which the Treasury Department indicated that it will not enforce fines or penalties against U.S. citizens or domestic reporting companies under the existing filing deadlines or under the rule changes expected later this month. As a result, CTA enforcement will be limited to foreign reporting companies only.

In the release, Treasury Secretary Scott Bessent said, “Today’s action is part of President Trump’s bold agenda to unleash American prosperity by reining in burdensome regulations, in particular for small businesses that are the backbone of the American economy.” President Trump also commented on the action on Truth Social, referring to the beneficial ownership reporting requirements under the CTA as “outrageous and invasive” and stating that “[t]he economic menace of BOI reporting will soon be no more.”

It should be noted that the CTA and its implementing regulations remain in effect. It continues to be the law. Even when new rules are adopted, there will be questions regarding the validity of those rules to the extent that those rules are not consistent with the statute. However, it appears clear (at least at the present time) that the current administration does not intend to enforce the CTA against U.S. citizens or domestic companies.

We note that many of our clients have contractual obligations to comply with applicable law, and that the failure to file a beneficial ownership report by the March 21 deadline may run afoul of these covenants and representations regardless of the Treasury Department’s stated intention not to enforce the CTA fully.

So, is this the end? Or will the roller coaster ride continue? It seems as though this may signal the demise of the CTA; however, we will continue to monitor developments. In the meantime, if you have questions about the CTA or this client alert, please contact your Kutak Rock attorney, or any member of the [CTA Client Service Team](#).

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