

25 MARCH 2025

Most Entities No Longer Subject to CTA Obligations Following FinCEN Announcement

The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) has issued an [interim final rule](#) removing the obligation for U.S.-domiciled companies and U.S. persons to file beneficial ownership reports under the Corporate Transparency Act (CTA). **U.S.-domiciled companies are therefore no longer subject to CTA reporting requirements.**

FinCEN's new rule provides that only non-exempt "foreign reporting companies" — which are those entities formed under the laws of a foreign country that are registered to do business in the U.S. (e.g., through the filing of a document with a secretary of state or any similar office) — must file CTA reports, unless they qualify for an exemption. Further, even those foreign reporting companies that are obligated to report will not be required to report information about U.S. persons who are their beneficial owners.

Existing foreign reporting companies have until 30 days from the rule's publication in the Federal Register (which, at the time of writing, has not yet occurred) to file CTA reports. Newly formed foreign reporting companies will have 30 days from the time their U.S. registration becomes effective to file CTA reports.

FinCEN has announced that it plans to finalize its interim rule later this year following a public comment period, which, based on precedent, will likely last for 60 days. However, we assess that it is unlikely that this public comment period will result in material changes to the interim rule.

FinCEN's interim rule comes amidst a spate of litigation that has repeatedly removed and re-applied CTA reporting requirements for legal entities. Separately, the U.S. Court of Appeals for the Fifth Circuit is considering the legality of the CTA itself in *Texas Top Cop Shop v. Bondi*.

Takeaway

While we cannot rule out the possibility that there will be a legal challenge to FinCEN's interim rule, particularly to the extent it purports to alter Congressionally enacted law, we advise that entities that are no longer under a CTA reporting obligation based on the interim rule (i.e., all entities other than non-exempt foreign reporting companies) should plan on not being subject to the CTA, nor making any CTA filings, for the foreseeable future.

If you have any questions about the matters addressed in this *Kirkland Alert*, please contact the following Kirkland attorneys or your regular Kirkland contact.

[Nick Niles](#)
nick.niles@kirkland.com

[Scott A. Moehrke, P.C.](#)
scott.moehrke@kirkland.com

[David L. Selinger](#)
david.selinger@kirkland.com

[John C. O'Quinn, P.C.](#)
john.oquinn@kirkland.com

[W. Neil Eggleston](#)
neil.eggleston@kirkland.com

[Jason Klein](#)
jason.klein@kirkland.com

[Christopher Stoj](#)
christopher.stoj@kirkland.com

This communication is distributed with the understanding that the author, publisher and distributor of this communication are not rendering legal, accounting, or other professional advice or opinions on specific facts or matters and, accordingly, assume no liability whatsoever in connection with its use. Pursuant to applicable rules of professional conduct, this communication may constitute Attorney Advertising.

© 2025 KIRKLAND & ELLIS LLP. All rights reserved. www.kirkland.com