

Practice Update

FinCEN Exempts U.S. Companies From Beneficial Ownership Reporting and Focuses on Foreign Entities

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On March 21, 2025, the Financial Crimes Enforcement Network (FinCEN) announced an interim final rule that significantly narrows the scope of beneficial ownership information (BOI) reporting requirements under the Corporate Transparency Act (CTA).[1] The rule removes the obligation for U.S. companies and U.S. persons to report BOI and limits reporting requirements to certain foreign entities.

Under the interim final rule, the term “reporting company” applies only to entities formed under the laws of a foreign country and registered to do business in any U.S. state or tribal jurisdiction through a filing with a secretary of state or similar office. U.S.-based entities, including those previously categorized as “domestic reporting companies,” are no longer required to report BOI. If a domestic reporting company previously filed a BOI, as was required, there is no longer any obligation to file an updated or corrected BOI to report a change in the information under the interim final rule. Moreover, foreign reporting companies are exempt from disclosing BOI related to any U.S. persons who are beneficial owners, and U.S. persons are not required to provide BOI to foreign reporting companies where they hold beneficial ownership.[2] Thus, foreign reporting companies that only have beneficial

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owners that are U.S. persons will be exempt from the requirement to report any beneficial owners. Furthermore, the interim final rule revises the requirement associated with foreign pooled investment vehicles to exempt such entities from having to report the BOI of U.S. persons who exercise substantial control over the entity.

Foreign entities meeting the new definition of “reporting company” must adhere to specific deadlines. Reporting companies registered before the publication date of the interim final rule must file BOI reports within 30 days of the publication date. Reporting companies registered on or after the publication date must file an initial BOI report within 30 calendar days of receiving notice that their registration is effective.

FinCEN is accepting comments on this interim final rule and plans to issue a final rule later this year. The agency will assess whether further exemptions or modifications are warranted based on public feedback. This rule change eliminates BOI reporting obligations for all U.S.-based entities, streamlining compliance burdens domestically while focusing on foreign entities with U.S. operations. Companies should monitor developments as FinCEN finalizes this rule and assess whether they fall under the revised definition of “reporting company.”

If you have any questions on how this ruling affects your specific filing requirements, please don’t hesitate to reach out to your Akerman lawyer.

[1] FinCEN Alert issued March 21, 2025:
<https://www.fincen.gov/boi>

[2] Interim Final Rule as submitted to Federal Register:
https://www.fincen.gov/sites/default/files/federal_register_notices/2025-03-21/CTAIFR3-21-25-FINAL508.pdf

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