



# SCWA Legislative & Regulatory Update

March 4, 2025

## **BREAKING: Treasury Pauses CTA Enforcement**

The Treasury Department's Financial Crimes Enforcement Network (FinCEN) announced late last week that it is ceasing enforcement of the Corporate Transparency Act (CTA) while it crafts a new set of regulations that will ultimately narrow the scope of the reporting regime.

It's a huge win, particularly as the CTA's reporting requirements were scheduled to take effect once again beginning March 21.

Here's the key passage from FinCEN's release:

*FinCEN announced that it will 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 by the current deadlines. **No fines or penalties will be issued, and no enforcement actions will be taken, until a forthcoming interim final rule becomes effective and the new relevant due dates in the interim final rule have passed.** This announcement continues Treasury's commitment to reducing regulatory burden on businesses, as well as prioritizing under the Corporate Transparency Act reporting of BOI for those entities that pose the most significant law enforcement and national security risks. [Emphasis added.]*

The agency also made clear that a new proposed rule will be unveiled next month, and will likely include significant changes to the existing reporting regime:

*No later than March 21, 2025, FinCEN intends to issue an interim final rule that extends BOI reporting deadlines, recognizing the need to provide new guidance and clarity as quickly as possible, while ensuring that BOI that is highly useful to important national security, intelligence, and law enforcement activities is reported.*

*FinCEN also intends to solicit public comment on potential revisions to existing BOI reporting requirements. FinCEN will consider those comments as part of a notice of proposed rulemaking anticipated to be issued later this year to minimize burden on small businesses while ensuring that BOI is highly useful to important national security, intelligence, and law enforcement activities, as well to determine what, if any, modifications to the deadlines referenced here should be considered.*

The relief is precisely what the small business community requested earlier this month. So hats off to Treasury Secretary Scott Bessent for recognizing the significant burden the CTA places on millions of law-abiding Americans and for taking swift action.

In the meantime, we look forward to reviewing the proposed regulations and remain hopeful that they will risk-based protocol for enforcement, something we've advocated for since Day One.

