



Insights: Alerts

New Corporate Transparency Act Rules Adopted | Foreign Companies Registered to Do Business in the U.S. Must Report Their Beneficial Owners to FinCEN by April 25, 2025

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Written by **David M. Eaton** and **Louis Barbieri, III**

Consistent with a U.S. Treasury Department [press release](#) that we [previously reported](#) on, Treasury's Financial Crimes Enforcement Network (FinCEN) has issued new rules under the Corporate Transparency Act (CTA) that only require companies formed under the laws of a foreign country that register to do business in the U.S. to report their beneficial owners to FinCEN.

Companies formed in the United States do *not* have to report their beneficial owners to FinCEN.

Furthermore, to the extent a foreign company must report its beneficial owners, it need not report any beneficial owners who are U.S. citizens or residents, and such persons need not provide their beneficial ownership information to the foreign company.

The new rules represent a substantial reduction of the scope of the original CTA rules, which would have applied to millions of domestic companies.

Foreign companies that have previously registered to do business in the U.S. (and are not otherwise exempt from reporting) have until **April 25, 2025** to file their beneficial ownership reports with FinCEN. Foreign companies that register to do business in the U.S. in the future will have 30 days from such registration to file their beneficial ownership reports with FinCEN.

Rule Comment Period Ends Tuesday, May 27, 2025

Although the new rules are effective immediately, with an initial April 25, 2025 reporting deadline for non-exempt foreign companies registered to do business in the U.S., FinCEN is soliciting public comment on them. Comments are due May 27, 2025.

What Should Domestic Companies Do Now?

Companies formed in the U.S. need not and should not file beneficial ownership reports with FinCEN.

What Should Foreign Companies Registered to Do Business in the U.S. Do Now?

If your company is:

(A) A corporation, limited liability company or other entity;

(B) Formed under the laws of a foreign country (in other words, formed under the laws of a jurisdiction other than any U.S. state, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, any other commonwealth, territory or possession of the United States, or any U.S. Indian tribe); *and*

(C) Registered to do business in any of the U.S. jurisdictions mentioned in (B) above by the filing of a document with a secretary of state or any similar office (sometimes called a “foreign qualification”);

then you should proceed to evaluate whether any of the CTA's exemptions apply to your company.

If no exemption is available, your company must report its beneficial owners by April 25, 2025 (or 30 calendar days after you register to do business in the U.S.) by filing an online report with FinCEN. The report is not generally publicly available, but will be accessible by U.S. national security, intelligence and law enforcement agencies, among others.

Among other things, the report must identify the foreign company's “beneficial owners”—that is, any natural person who exercises “substantial control” over the reporting company, or any natural person who directly or indirectly owns or controls at least 25% of the reporting company—provided, the reporting company need not report any beneficial owners who are U.S. citizens or residents, and U.S. citizens or residents need not provide their information to such reporting companies.

U.S. Subsidiary Entities Owned by Foreign Companies Need Not Report

Note that if a foreign company forms a U.S. corporation, limited liability company or other entity, that company need not report to FinCEN, even if the beneficial owners are 100% foreign. Consequently, foreign companies considering how to enter the U.S. market—for instance, whether through establishing an informal ‘branch office’ combined with a foreign qualification or organizing a formal U.S. subsidiary entity—may wish to consider that the former approach may require CTA compliance while the latter one would not.

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Our attorneys are available to advise on the CTA, including regarding the availability of reporting exemptions and identification of potential beneficial owners. If you wish to submit comments to FinCEN on the new rules by the May 27 deadline, we can also advise you on that process.

Please do not hesitate to reach out to any of our principal CTA contacts below, or to your primary Kilpatrick contact for help or further information.

Related People



David M. Eaton

t 415.273.4324

deaton@ktslaw.com



Louis Barbieri, III

t 404.815.6079

lbarbieri@ktslaw.com