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Insights

Beneficial Ownership Reporting Requirements Repealed for U.S. Businesses

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After years of regulatory uncertainty, litigation, and multiple deadline extensions, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) has permanently eliminated beneficial ownership information (BOI) reporting requirements for U.S. companies and U.S. persons under the Corporate Transparency Act (CTA). The final rule became effective on August 11, 2026.

The CTA, enacted in 2021, was designed to combat money laundering, terrorist financing, and other illicit activities by requiring many corporations, limited liability companies, and similar business entities to disclose information about their beneficial owners to FinCEN. However, the reporting regime generated significant compliance concerns among small businesses and became the subject of numerous legal challenges.

The new final rule makes permanent the exemptions first introduced in FinCEN's March 2025 interim rule. As a result, domestic entities formed under U.S. law are no longer required to file BOI reports, and U.S. persons are exempt from reporting obligations. FinCEN has also announced plans to delete previously reported information relating to U.S. persons from its beneficial ownership database.

The repeal does not entirely eliminate BOI reporting. Certain foreign entities registered to do business in the United States may still be required to report beneficial ownership information concerning foreign individuals, subject to the revised rules and applicable exemptions.,

For most closely held businesses, family-owned companies, and other domestic entities, the final rule removes a significant compliance burden and brings long-awaited certainty regarding CTA obligations. However, the permanent elimination of the BOI reporting requirements poses challenges for financial institutions’ compliance with customer due-diligence obligations which remain intact under the CTA. Businesses and financial institutions should remain attentive to future regulatory developments and confirm whether any foreign ownership or registration considerations could trigger continuing reporting requirements.
