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## Corporate Transparency Act Update #5: Treasury Will Not Pursue Enforcement

We are continuing to monitor developments with the Corporate Transparency Act (“CTA”). Last month, we had [advised](#) that the Supreme Court had lifted injunctions of the CTA and had recommended complying with the reporting requirements of the CTA prior to the March 21, 2025 deadline, despite pending court cases considering the constitutionality of the act.

However, on March 2, 2025, the Treasury Department issued a [press release](#) noting that it will not enforce any penalties or fines against U.S. citizens or domestic reporting companies for failing to comply with same. The Treasury Department announced its intent to promulgate a rule that will narrow the scope of the rule to foreign reporting companies only.

It is worth noting that the actions taken by the Treasury Department here are inconsistent with the express terms of the CTA and could be challenged in the future. However, in light of the guidance of the Treasury Department, it would appear that domestic reporting companies are not currently at risk of penalty for failing to comply with same. Foreign reporting companies should still plan to comply with the reporting requirements of the CTA.

As with many laws and regulations following the commencement of President Trump’s second term, the CTA may continue to remain in flux and this guidance could change in the future. We will continue to monitor the situation and advise of any further changes.

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