Simpson Thacher

Memorandum

FinCEN Terminates Beneficial Ownership Reporting Requirements Under the Corporate Transparency Act for U.S. Entities

August 17, 2026

This memorandum updates our [March 31, 2025 alert](#) regarding the Interim Final Rule ("IFR") curtailing reporting requirements under the Corporate Transparency Act ("CTA").

On August 11, 2026, the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN") issued a final rule (the "Final Rule") ending reporting requirements under the Corporate Transparency Act ("CTA") for U.S. entities. Foreign entities formed outside of the U.S. that are registered to do business in a U.S. state or tribal jurisdiction are still required to report beneficial ownership information ("BOI") to FinCEN under the CTA, but they are only required to report such BOI for non-U.S. person beneficial owners. The Final Rule becomes effective upon its publication in the *Federal Register*. FinCEN also announced that it will delete information previously reported by U.S. persons from the BOI database.

Background

The Final Rule is the latest step in curtailing the CTA's BOI reporting requirements. In March 2025, FinCEN issued an IFR that eliminated, on a temporary basis, beneficial ownership reporting requirements for entities formed in the United States. The Final Rule adopts all of the changes in the IFR and provides additional relief for U.S. persons, as described below.

Key Provisions of the Final Rule

- **Excludes U.S. companies from BOI reporting.** Entities formed in the United States are no longer "reporting companies" under the CTA and have no obligation to file initial BOI reports, or to update or correct previously filed reports.
- **Obligations for foreign entities remain.** Under the Final Rule, foreign entities that are "reporting companies"—defined as corporations, limited liability companies, or other entities formed under the law of a foreign country and registered to do business in any U.S. state or tribal jurisdiction by the filing of a document with the secretary of state or similar office—remain subject to BOI reporting requirements. Such companies must still report certain company information, BOI for their non-U.S. person beneficial owners, and their non-U.S. company applicants.
- **Foreign entities are exempt from reporting U.S. person "company applicants."** Reporting companies are no longer required to report U.S. person company applicants (*i.e.*, the individual who

directly filed the document that registered the company, and, if more than one person was involved in the filing, the individual primarily responsible for controlling or directing the filing).

- **Exempts foreign pooled investment vehicles from reporting U.S. person controllers.** Foreign pooled investment vehicles registered in the United States are exempt from reporting the BOI of a U.S. person in control of the investment vehicle.
- **Exempts U.S. persons with FinCEN identifiers from update obligations.** U.S. persons who have previously obtained FinCEN identifiers are not required to update or correct the information they previously provided to FinCEN to obtain those identifiers.
- **Confirms deletion of previously reported U.S. person data.** FinCEN will delete information about any individuals—company applicants, beneficial owners, or recipients of a FinCEN ID—that FinCEN reasonably believes is a U.S. person (*e.g.*, based on information linked to a U.S. passport or U.S. driver's license).

While the Final Rule eliminates obligations for U.S. entities and U.S. persons under the CTA, beneficial ownership related compliance obligations may remain and merit continued attention:

- **Analogous state-level requirements remain and additional regimes may emerge.** As we reported on December 23, 2025, the New York LLC Transparency Act, which took effect in January 2026, applies only to non-U.S. LLCs authorized to do business in New York, mirroring the federal requirement. Since 2020, the District of Columbia has required beneficial ownership and control information BOI reporting upon initial formation of entities in the jurisdiction and biennially thereafter. Other states, including California, Maryland, and Massachusetts, have recently proposed corporate transparency requirements. While these other requirements have not been enacted, state-level regulation remains possible, particularly in the absence of a federal requirement.
- **U.S. financial institution customer due diligence obligations remain and are unaffected by the Final Rule.** U.S. covered financial institutions continue to be required to conduct customer due diligence on and collect beneficial ownership information of legal entity customers pursuant to the 2016 FinCEN Customer Due Diligence Rule. FinCEN views this obligation as mitigating certain illicit finance risks associated with exempting domestic reporting companies from the requirements of the CTA.
- **Future for the CTA and its beneficial ownership reporting remains uncertain.** While the Final Rule eliminates U.S. person reporting obligations under the CTA, the underlying statute remains in effect, and it is possible that the requirements may be revived in the future. U.S. companies should continue to monitor developments.

For further information regarding this memorandum, please contact one of the following authors:

WASHINGTON, D.C.

Abram J. Ellis
+1-202-636-5579
aellis@stblaw.com

Jim Perry
+1-202-636-5717
james.perry@stblaw.com

Claire Cahoon
+1-202-636-5828
claire.cahoon@stblaw.com

Christine Tillema
+1-202-636-5559
christine.tillema@stblaw.com

NEW YORK CITY

George S. Wang
+1-212-455-2228
gwang@stblaw.com

David H. Caldwell
+1-212-455-2612
dcaldwell@stblaw.com

Daniel S. Levien
+1-212-455-7092
daniel.levien@stblaw.com

Alexandra (Olenka) Burghardt
+1-212-455-7492
olenka.burghardt@stblaw.com

Brian Japari
+1-212-455-2580
brian.japari@stblaw.com