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U.S. Treasury Finalizes Rules Limiting Disclosure Requirements

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On August 11, 2026, the Financial Crimes Enforcement Network ("FinCEN") of the U.S. Department of Treasury issued a final rule (the "Final Rule") that adopts, with limited changes, the agency's March 26, 2025 interim final rule narrowing the beneficial ownership information ("BOI") reporting regulations under the Corporate Transparency Act ("CTA"). The Final Rule became effective upon its publication in the Federal Register on August 14, 2026.

For most U.S. businesses, the Final Rule confirms the status quo that has applied since March 2025: no initial, updated, or corrected BOI report is required. The principal compliance burden now falls on foreign-formed entities registered to do business in a U.S. state or Tribal jurisdiction.

What the final rule does

- Removes U.S.-formed entities from the reporting regime. An entity created under U.S., state, or Tribal law, including an entity that would previously have been a domestic reporting company, is not considered a reporting company and need not file, update or correct a BOI report.
- Exempts U.S. persons. A reporting company need not report BOI for any U.S. person who is a beneficial owner or company applicant, and a U.S. person need not provide that information to a reporting company.
- Keeps foreign reporting companies in scope. A foreign-formed entity registered to do business in a U.S. state or Tribal jurisdiction remains a reporting company unless another CTA exemption applies. The foreign entity must report its required entity information and the BOI of non-U.S. beneficial owners and, where company-applicant reporting otherwise applies, non-U.S. company applicants.
- Relieves U.S. FinCEN ID holders from ongoing updating obligations. A U.S. person who obtained a FinCEN identifier no longer needs to update or correct the identifying information submitted to obtain the FinCEN identifier. Non-U.S. FinCEN ID holders remain subject to those obligations.

- Preserves the special rule for foreign pooled investment vehicles. Such vehicles need not report a U.S. person who exercises substantial control; the applicable rule continues to focus on a non-U.S. individual with substantial control or the greatest authority over strategic management.

How this differs from the March 2025 interim rule

In addition to making the interim rule's removal of requiring obligations of U.S-formed entities and U.S. persons permanent, the Final Rule adds two forms of relief:

- Foreign reporting companies no longer are required to list or provide information on any U.S. person acting as such company's applicant, and those applicants no longer have to provide their information to FinCEN.
- All U.S. persons are excused from updating or correcting information previously supplied to obtain a FinCEN identifier, whether the identifier was used for beneficial-owner or company-applicant reporting.

The Final Rule otherwise leaves the interim rule's framework and reporting deadlines unchanged.

Deadlines and enforcement for foreign reporting companies

Foreign reporting companies should not treat the Final Rule as a new grace period. The Final Rule carries forward the March 2025 reporting deadlines without change:

- A foreign reporting company that was registered to do business in the United States before March 26, 2025 generally was required to file, update, or correct its report by April 25, 2025.
- A foreign reporting company registered in the U.S. on or after March 26, 2025 generally must file within 30 calendar days after the earlier of actual notice that its registration is effective or public notice by the relevant filing office.
- Required updates and corrections generally remain due within 30 calendar days of the triggering change or of becoming aware, or having reason to know, that filed information was inaccurate.

FinCEN did not change the reporting-violation provisions. The CTA's civil and criminal penalty framework therefore remains relevant to foreign reporting companies and foreign persons for willful violations.

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Previously submitted BOI

FinCEN also announced that it will remove, as much as practicable, BOI data that had previously been filed with FinCEN. The agency expects to identify domestic reporting-company records and information associated with documents that indicate a U.S. person, such as a U.S. passport or driver's license, and to coordinate the deletion process with the National Archives and Records Administration.

FinCEN currently does not expect U.S. companies or U.S. persons to request deletion, and it does not plan to provide individualized confirmations. It expects a one-time database sweep and says it will post a public notice when the process is complete. This database action is described in the Final Rule's preamble; it is not an affirmative compliance step for affected companies or individuals.

What the final rule does not change

- Bank customer-due-diligence requirements. The rule does not amend FinCEN's separate Customer Due Diligence Rule. Covered financial institutions should continue their existing customer identification, beneficial ownership, and anti-money-laundering processes unless and until FinCEN separately changes that framework.
- Other ownership-disclosure obligations. State law, tax filings, licensing regimes, sanctions and export-control diligence, lender and investor covenants, and contractual information requests may continue to require ownership information even when a CTA filing is no longer required.
- The CTA statute itself. Congress has not repealed the CTA. The final rule narrows FinCEN's implementing regulations through Treasury's statutory exemption authority. Companies should continue to monitor litigation, legislation, and later agency action.
- In fact, a new federal administration could re-establish the BOI reporting obligations or create new reporting obligations once in office.

Recommended next steps

- U.S.-formed entities should close or suspend CTA filing workflows, remove unnecessary renewal reminders and document internally why no filing is required.

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- Foreign-formed entities registered in the United States should confirm whether they qualify for a regulatory exemption, review the accuracy of existing BOI reports, and calendar 30-day update and correction triggers.
- Foreign reporting companies should revise intake forms and service-provider instructions so they do not collect or submit BOI for U.S. person beneficial owners or company applicants.
- U.S. persons with FinCEN identifiers may discontinue update and correction tracking, while retaining records sufficient to explain the change in treatment.
- Financial institutions and other regulated businesses should keep CTA reporting analyses separate from Customer Due Diligence, Know Your Customer, and other beneficial-ownership information collection obligations.

If you have any questions regarding the matter raised in this Alert, please feel free to contact either Keith Braun at kbraun@moritthock.com or Alexander Tomaro at atomaro@moritthock.com.

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