

FinCEN to extend beneficial ownership reporting deadline, no penalties for missing March 21 deadline

February 28, 2025 | Client Update | 2-minute read

FinCEN announced that it will not impose fines or penalties on companies that do not submit their beneficial ownership information reports by the upcoming deadline of March 21, 2025. The agency will issue an interim final rule to establish new reporting deadlines no later than March 21 and intends to revise the Beneficial Ownership Information Reporting Rule this year to reduce burdens for small businesses.

On February 27, the Financial Crimes Enforcement Network (FinCEN) [announced](#) that the agency will not issue fines or penalties or take enforcement action against companies that choose not to report their beneficial ownership information (BOI) pursuant to the Corporate Transparency Act (CTA) by the upcoming deadline of March 21, 2025. As noted in our recent [client update](#), reporting requirements under the CTA and Beneficial Ownership Information Reporting Rule (BOI Reporting Rule) are back in effect after a U.S. District Court stayed a nationwide injunction that barred enforcement of the CTA earlier this month. Following the District Court's ruling, FinCEN extended the beneficial ownership information reporting deadline for most reporting companies to March 21, 2025 (including reporting companies created before January 1, 2024). FinCEN has now announced that it will issue an interim final rule by no later than March 21 to establish new reporting deadlines and will not take action against companies for failing to submit their BOI reports until the interim final rule becomes effective and the new reporting due dates have passed.

FinCEN also reiterated its intention to consider revising the BOI Reporting Rule to minimize the burden on small businesses. The agency plans to solicit public comments on potential modifications to the BOI Reporting Rule, which it will consider as part of a notice of proposed rulemaking to be issued "later this year." The agency did not specify a date for the rulemaking or discuss any potential substantive changes to the BOI Reporting Rule.

As noted in our previous client update, Congress is currently considering legislation that may further extend reporting deadlines. Earlier this month, the House unanimously approved a [bill](#) that would extend the reporting deadlines to January 1, 2026, for entities that existed before January 1, 2024. A companion bill has been introduced in the Senate but has not yet been acted on.

Reporting companies should continue to monitor for developments in Congress and further announcements by FinCEN.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

Kendall Howell

+1 202 962 7068
kendall.howell@davispolk.com

Daria Adjowa Serwaa Nonnemaker

+1 202 962 7037
daria.serwaanonnemaker@davispolk.com

Will Schisa

+1 202 962 7129
will.schisa@davispolk.com

Daniel P. Stipano

+1 202 962 7012
dan.stipano@davispolk.com

Charles Marshall Wilson

+1 202 962 7130
charles.wilson@davispolk.com

This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.