Harvard Law School Forum on Corporate Governance

FinCEN Permanently Eliminates BOI Reporting Requirements for US Companies and US Persons

Posted by Matthew Bisanz, Brad A. Resnikoff, and Marcella Barganz, Mayer Brown LLP, on Thursday, August 27, 2026

Editor's Note: Matthew Bisanz and Brad A. Resnikoff are Partners and Marcella Barganz is a Counsel at Mayer Brown LLP. This post is based on a Mayer Brown memorandum by Mr. Bisanz, Mr. Resnikoff, Ms. Barganz, Lorenz A. Taets, and Kelly F. Truesdal, all at Mayer Brown LLP.

On August 11, 2026, the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN") issued a final rule (the "Final Rule") that permanently removes the requirement for US companies and US persons to report beneficial ownership information ("BOI") to FinCEN under the Corporate Transparency Act (the "CTA"). The Final Rule was published in the Federal Register on August 14, 2026, and became effective immediately upon publication.

The Final Rule adopts all of the changes made on an interim basis in the interim final rule issued on March 26, 2025 (the "IFR") as permanent changes. As discussed in our prior Legal Update, such changes narrowed FinCEN's beneficial ownership information reporting requirements to apply only to foreign entities registered to do business in the United States. Specifically, the Final Rule confirms the elimination of reporting obligations for millions of US small businesses, resolves open questions flagged in our prior Legal Updates regarding FinCEN identifiers and company applicants, and announces the planned deletion of previously reported US person data from FinCEN's BOI IT system (the "BOI IT System"). The Secretary of the Treasury's issuance of the Final Rule cements its exercise of statutory exemptive authority under the CTA and the Bank Secrecy Act more generally.

This Legal Update concludes the arc of our prior coverage of the initial adoption of the regulations implementing the CTA (the "Reporting Rule"), subsequent litigation, and FinCEN's prior interim exemptive relief, and addresses the post-filing next steps for entities that had already submitted CTA reports.

Background

Congress enacted the CTA on January 1, 2021, and FinCEN published the Reporting Rule on September 30, 2022, which became effective on January 1, 2024. The Reporting Rule required approximately 32 million domestic and foreign reporting companies to file BOI reports with FinCEN. Following nationwide injunctions in late 2024 and early 2025 and related litigation challenging the Reporting Rule, Treasury announced on March 2, 2025, that it was suspending enforcement of the CTA against US citizens and domestic companies.

On March 26, 2025, FinCEN issued the IFR, which exempted all domestic reporting companies from BOI reporting and exempted US person beneficial owners from providing BOI to foreign reporting companies—leaving only approximately 20,000 foreign reporting companies subject to the rule. As discussed in our prior Legal Updates, the IFR left several questions unresolved, including the obligation of US person company applicants to provide information to foreign reporting companies, the status of FinCEN IDs obtained by US persons, and the disposition of data previously reported to FinCEN. The Final Rule now addresses each of these open issues.

Key Provisions of the Final Rule

Permanent Exemption for All Domestic Entities: The Final Rule permanently adopts the IFR's exclusion of all domestic reporting companies from the definition of "reporting company" under 31 C.F.R. § 1010.380, exercising the Secretary of the Treasury's broad exemptive authority to exclude from the CTA any class of entities for which BOI collection "would not serve the public interest" and "would not be highly useful in national security, intelligence, and law enforcement agency efforts to detect, prevent, or prosecute money laundering, the financing of terrorism, proliferation finance, serious tax fraud, or other crimes." Under the Final Rule, no domestic entity—regardless of size, structure, or ownership—has any obligation to file initial, updated, or corrected BOI reports. This makes the IFR's rollback permanent and eliminates any residual uncertainty about the scope of the exemption.

US Person Company Applicants: The Final Rule expands the IFR by exempting foreign reporting companies from the requirement to report US person company applicants who directly filed or directed the filing of the document registering the foreign entity in the United States. Under the IFR, foreign entities registered on or after January 1, 2024, were still required to report US person company applicants. The Final Rule eliminates that obligation.

US Person FinCEN ID Updates: The Final Rule eliminates the requirement for any US person—individual or legal entity—to update or correct information previously submitted to obtain a FinCEN ID. This resolves the question left from the IFR regarding whether US persons with FinCEN IDs faced an indefinite maintenance obligation even without applicable reporting requirements. Non-US persons remain subject to the 30-day update and correction requirement.

Foreign Pooled Investment Vehicles: The Final Rule affirms the IFR's revision to the special rule for foreign pooled investment vehicles, exempting them from reporting the BOI of any US person exercising substantial control over the entity. If no individual with substantial control is a non-US person, the foreign pooled investment vehicle is not required to report any beneficial owners.

Deletion of Previously Reported US Person Data: FinCEN announced that it will delete information from the BOI IT System about domestic reporting companies and any US individuals, including company applicants, beneficial owners, or FinCEN ID recipients, that it reasonably believes relates to a US person, based on identifying documents such as US passports or driver's licenses. FinCEN anticipates conducting a single sweep of the database to effect this deletion and will not perform periodic or ongoing deletions. Any US person BOI included in filings made after February 10, 2027, will not be subject to this deletion process.

Who is Still Subject to the Reporting Requirements?

Under the Final Rule, "reporting companies" are limited to entities formed under the law of a foreign country and registered to do business in any US state or tribal jurisdiction by the filing of a document with a secretary of state or similar office. These foreign reporting companies must still report their own identifying information and the BOI of non-US person beneficial owners. They are not required to report the BOI of US person beneficial owners or US person company applicants. Reporting companies registered before March 26, 2025 (the IFR's publication date) had 30 days from that date—i.e., until April 25, 2025—to file initial reports. Newly registered entities must file within 30 days of registration. The penalty provisions remain unchanged.

Practical Implications

The Final Rule resolves the key open questions from the IFR, and for the vast majority of affected entities, confirms what was already the practical reality. Below is a summary of what the Final Rule means for different categories of affected persons and entities:

- Domestic entities: No further action required. Entities that previously qualified as domestic reporting companies have no obligation to file, update, or correct BOI reports.
- US persons with FinCEN IDs: No further update obligation. US persons who obtained FinCEN IDs no longer need to update or correct information associated with those identifiers.
- US person company applicants: US persons who served as company applicants for foreign reporting companies are now exempt from providing their information, and foreign reporting companies are exempt from reporting it.
- Foreign reporting companies: Foreign entities registered in the United States continue to be covered (as in the IFR) and should confirm whether they have timely filed their initial BOI reports (or updates and corrections) and ensure that only non-US person beneficial owners and non-US person company applicants are reported going forward.
- Previously reported data: FinCEN will identify and delete US person data without requiring affirmative requests. Entities and individuals will not need to request that deletion, but FinCEN will not delete US person data provided after February 10, 2027.

The Final Rule does not alter financial institutions' obligations under FinCEN's existing Customer Due Diligence (CDD) Rule requiring certain beneficial ownership information for legal entity customers to be collected at account opening, and FinCEN reaffirmed that BOI collection at account opening remains an important AML/CFT control. FinCEN acknowledged it is legally required to modify the CDD Rule in light of the narrowed Reporting Rule and indicated it will refocus on that rulemaking. Covered financial institutions should monitor for future CDD Rule guidance.