FinCEN Finalizes Narrowed Beneficial Ownership Reporting Regime

September 1, 2026

On August 11, 2026, the U.S. Treasury Department's Financial Crimes Enforcement Network ("FinCEN") issued a final rule (the "Final Rule") narrowing beneficial ownership information ("BOI") reporting requirements under the Corporate Transparency Act (the "CTA").[1] The Final Rule largely tracks the approach FinCEN adopted in its March 21, 2025, interim final rule (the "Interim Final Rule") and, at least for now, brings to an end the long and winding road of beneficial ownership reporting implementation under the CTA.[2] Below, we provide an overview of the Final Rule's key provisions and implications for reporting companies.[3]

Scope of the Final Rule's Reporting Requirements. The Final Rule narrows BOI reporting requirements under the CTA. Under the Final Rule:

- *Non-U.S. Entities*. The definition of reporting company includes only a legal entity that is "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 a secretary of state or any similar office."[4] These non-U.S. entities are obligated to file BOI reports unless they qualify for one of many reporting exemptions in the CTA and FinCEN's implementing regulations.

- *U.S. Entities*. All corporations, limited liability companies and other legal entities created by filing a document with a secretary of state or any similar office in the United States remain excluded from the definition of reporting company.

- *U.S. Individuals*. The Final Rule exempts (a) reporting companies from having to report the BOI of U.S. person beneficial owners and company applicants,[5] and

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1 91 Fed. Reg. 52508 (Aug. 14, 2026), available here.

2 For an overview of the Interim Final Rule, please see our previous client update, available here.

3 For the history of and developments related to BOI reporting, please see our previous client updates, including those available here, here, here and here.

4 31 C.F.R. 1010.380(c)(1)(ii).

5 The term "company applicant" includes both the individual who directly files the document that first registers a reporting company with a secretary of state or similar office and the individual who is primarily responsible for

(b) U.S. person beneficial owners and company applicants from having to provide BOI to reporting companies. In addition, U.S. persons who previously obtained FinCEN identifiers ("FinCEN IDs") do not have to update information already provided to FinCEN in connection with obtaining a FinCEN ID.[6]

Timing of Reports. The Final Rule does not change the applicable reporting timelines. Accordingly, a foreign entity that becomes a "reporting company" on or after March 26, 2025, and does not otherwise qualify for one of the CTA's exemptions is required to file its initial BOI report within 30 days of the date on which it received actual notice that it was registered to do business in the United States or the date on which a secretary of state or similar office first provided public notice, whichever date is earlier.

A reporting company must also update or correct its BOI report within 30 days of any change to the required information previously reported.

Deletion of Previously Submitted Information on U.S. Individuals and Companies. FinCEN is implementing a process to delete previously reported information that is not reportable under the Final Rule. FinCEN expects to rely on information provided in previously filed BOI reports to identify all domestic reporting companies, company applicants and beneficial owners associated with domestic reporting companies. FinCEN is implementing a process to delete previously reported information about any individuals, including company applicants, beneficial owners and recipients of FinCEN IDs, who reported an identifying document that FinCEN reasonably believes was provided by a U.S. person (e.g., a U.S. passport or U.S. driver's license). FinCEN does not intend to provide confirmation or acknowledgement of the deletion of a U.S. company's or U.S. person's BOI, but it will provide notice to the public on its website when it has completed the deletion process.

Next Steps and Possible Further Developments. Foreign companies registering to do business in the United States should continue to assess whether they qualify as "reporting companies" for BOI reporting purposes, while existing reporting companies should continue to monitor whether any previously reported information must be updated or corrected.

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directing or controlling such filing if more than one individual is involved in the filing of the document. *See* 31 CFR 1010.380(e).

6 The Final Rule leaves unchanged the Interim Final Rule's revisions to the reporting rule for foreign pooled investment vehicles ("PIVs") and, therefore, a foreign PIV with BOI reporting obligations must report BOI with respect to an individual who exercises substantial control only if that individual is not a U.S. person. If there is no non-U.S. person with substantial control, the foreign PIV is not required to report any beneficial owners.

FinCEN also reiterated its intent and obligation to modify the customer due diligence rule ("CDD Rule") in light of the Final Rule, taking into account the CDD Rule-related issues identified by commenters on the Interim Final Rule.[7]

Although the Final Rule narrows FinCEN's BOI reporting regime, companies should continue to monitor ongoing litigation and other developments concerning the CTA's constitutionality and the scope of FinCEN's implementing regulations. FinCEN's rule change faced criticism from a variety of stakeholders, including corporate transparency advocacy organizations, think tanks, organizations representing law enforcement and four U.S. senators, and the CTA remains valid law, meaning that a future administration could take a different approach to its implementation. In the interim, however, companies should treat the Final Rule as establishing the operative BOI reporting framework, with limited obligations that apply only for foreign entities that qualify as reporting companies.

Companies also may wish to be alert for state-level requirements. At the state level, New York remains the only state with enacted beneficial ownership reporting requirements, although other states have considered legislative proposals. New York's LLC Transparency Act went into effect on January 1, 2026, and imposes a separate state-level BOI reporting obligation. The scope of New York's BOI reporting law is linked to the CTA and FinCEN's implementing regulations, which means that, even though the state has issued guidance to require reporting only from limited liability companies formed under non-U.S. law, future changes to the CTA or FinCEN's regulations, including any changes resulting from a change in administration, could affect the scope of the New York requirement.

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[7] The CDD Rule requires certain financial institutions to collect beneficial ownership and other data from legal entities that open new accounts. The White House Office of Management and Budget's government-wide 2026 Regulatory Plan and the Unified Agenda of Federal Regulatory and Deregulatory Actions (the "Agenda") includes a March 2027 target date for issuance of a notice of proposed rulemaking to revise financial institutions' CDD Rule requirements. Please see our client update on Treasury's rulemaking roadmap under the Agenda, available here.

We will continue to monitor developments and provide additional updates as warranted. Please do not hesitate to contact us with any questions.

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