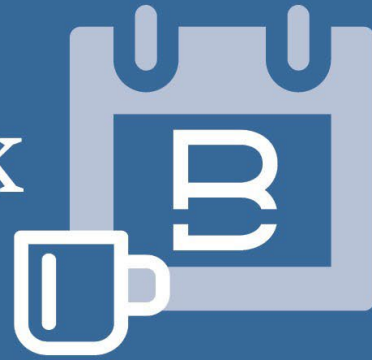


# The Work Week

Bassford Remele Employment Practice Group



**March 10, 2025**

Welcome to another edition of *The Work Week with Bassford Remele*. Each Monday morning, we will publish and send a new article to your inbox to hopefully assist you in jumpstarting your work week.

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## **Loosening Enforcement of the Corporate Transparency Act**

[Benjamin H. Formell](#)

The past few months have seen their fair share of federal regulation changes for businesses. This past week was no different. Early last week, the U.S. Department of the Treasury announced substantial changes in its approach to enforcement of the Corporate Transparency Act (“CTA”). Specifically, the Treasury Department announced that, under the existing regulation structure and forthcoming rule changes, it will no longer enforce penalties and fines associated with the CTA’s beneficial-ownership-reporting requirements against domestic companies and citizens. The priority adjustment and potential rule change signal a shift to focus CTA enforcement on foreign companies and lessen the compliance burden on domestic businesses.

Under the CTA’s traditional reporting requirements, businesses were required to file and update beneficial ownership information, meaning identifying information about individuals who have a substantial direct or indirect ownership interest in companies doing business in the U.S., with the Financial Crimes Enforcement Network. Failure to report beneficial owner information for individuals with 25% ownership or substantial control over company operations carried significant monetary penalties and even criminal liability. Effective at the beginning of last year, the CTA also applied to small business with fewer than 20 employees. Passed in 2021, the CTA is directed at combatting tax fraud and other financial crimes by bad actors who hide behind shell companies and complex corporate-ownership structures. More recently, the CTA has been the subject of criticism in its increase to compliance costs, steep penalties, and privacy concerns, particularly for small businessowners.

The CTA has been the subject of national litigation over the past several months, with various federal courts issuing nationwide injunctions and reinstating CTA reporting requirements as litigation progressed.

Most recently, reporting deadlines have been reinstated effective March 21, 2025, subject to this new enforcement announcement. The final rule to be promulgated will need to be closely monitored to identify which companies will qualify for enforcement and what triggers reporting obligations.

The announced regulation change, one example of a substantial number in the past several months across all areas of the federal government, highlights the importance of keeping up to date with not only the active litigation on federal statutes impacting employment and ownership, but also new regulatory announcements that impact the way employers interact with changing statutes. Particularly as we see the more recent rollback of regulations with the new year, employers need to keep carefully informed on the shifting federal regulatory structure. Employers who either jump the gun on setting aside these obligations or fail to keep abreast of new announcements from regulators can incur steep penalties and significant compliance costs, even as a small business.

At Bassford Remele, we closely monitor both statutory and regulatory updates at the federal and state level that impact employment law and regularly counsel employers on evolving compliance issues. Feel free to reach out if you need assistance in this continually evolving landscape!

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