



FLORES GROUP ATTORNEYS & ADVISORS

FOREIGN COMPANY REPORTING UNDER THE CORPORATE TRANSPARENCY ACT (CTA)

I. Introduction

This Alert summarizes the current Corporate Transparency Act (CTA) reporting rules as they apply for 2026. These rules reflect FinCEN's Interim Final Rule issued in March 2025, which significantly narrowed the scope of BOI reporting. The purpose of this summary is to explain, in practical terms, who must file, who does not, and how the rules apply to U.S. entities, foreign entities, U.S. persons, and foreign persons.

This summary is informational only and is intended to assist clients in understanding whether CTA compliance may apply to their structures.

II. Overview of the Current CTA Framework (2026)

The CTA requires certain entities to report beneficial ownership information (BOI) to the U.S. Treasury's Financial Crimes Enforcement Network (FinCEN).

However, under the current rules applicable in 2026, the reporting obligation is no longer broad-based.

Under the revised definition of "reporting company," CTA reporting is now limited primarily to certain foreign entities that have formally registered to do business in

the United States.

As a result:

- Many U.S.-formed entities no longer have CTA filing obligations.
- U.S. individuals are excluded from BOI reporting.
- Only a narrower category of foreign entities and non-U.S. individuals remains potentially reportable.

III. Application to U.S. Entities

U.S. entities include corporations, limited liability companies, partnerships, and other legal entities that are created by filing formation documents with a U.S. state or similar authority.

For 2026: U.S.-formed entities are NOT required to file BOI reports.

- No initial filing is required.
- No update or correction filings are required.
- Ownership changes do not trigger CTA filings.

This applies regardless of entity size, number of owners, or activity level.

IV. Application to Foreign Entities

Foreign entities are entities formed under the laws of a country other than the United States.

A foreign entity is subject to CTA reporting in 2026 ONLY if:

- 1) It is formed under non-U.S. law;
- 2) It has registered or qualified to do business in a U.S. state or Tribal jurisdiction

by filing a document; and

3) It does not qualify for a regulatory exemption.

Foreign entities that are not registered to do business in the United States do not have CTA filing obligations.

V. Application to U.S. Persons

U.S. persons include U.S. citizens and lawful permanent residents.

For 2026:

- U.S. persons are exempt from BOI reporting.
- Foreign reporting companies do NOT report U.S. persons as beneficial owners.

VI. Application to Foreign Persons

Foreign persons may be reportable only if they are beneficial owners or control persons of a foreign reporting company that must file in the United States.

VII. Filing Timing and Ongoing Obligations

For foreign entities that are required to file:

- Initial BOI reports are generally due within 30 calendar days of U.S. registration.
- BOI filings are not annual.
- Updates are required only if reportable information changes.

VIII. Conclusion

We are Business and Tax Attorneys and we strive to provide our clients the highest quality of legal and tax representation in the complex area of tax law.

This alert has provided only general information and specific factual scenarios

may change any conclusions that would apply.

We strongly recommend you consult a corporate and tax attorney regarding your particular case. Should you need additional information it will be our pleasure to assist you.

Sincerely,

Ruben Flores, Attorney & CPA