The Real Estate Roundtable

Beneficial Ownership & Corporate Transparency Act

Capital and Credit

Summary

The Corporate Transparency Act (CTA) was enacted to combat illicit finance, money laundering, and terrorism financing by requiring certain companies to disclose information about their beneficial owners to the Treasury Department's Financial Crimes Enforcement Network (FinCEN).

In February 2025, RER joined a coalition urging Treasury to delay reporting requirements shortly before the department announced enforcement relief. (Coalition Letter, Feb. 3, 2025)

On Aug. 11, 2026, FinCEN issued a final rule permanently eliminating beneficial ownership information (BOI) reporting requirements for U.S. companies and U.S. persons. Effective Aug. 14, the rule finalizes the narrower framework adopted in March 2025, providing long-term regulatory relief for millions of U.S. businesses, including commercial real estate entities. (Roundtable Weekly, Oct. 2, 2026)

The Real Estate Roundtable (RER) continues to work with policymakers in support of a balanced approach that would inhibit illicit money laundering activity without the imposition of costly reporting requirements for real estate investors.

Key Takeaways

- Treasury's suspension of CTA enforcement for domestic entities significantly reduces compliance burdens for real estate businesses that rely on LLC structures.

Background

CTA Requirements

- Enacted in 2021, the CTA required certain corporations, LLCs, and similar entities to disclose identifying information about individuals owning at least 25 percent of an entity or exercising substantial control.
- The requirements posed significant compliance challenges for commercial real estate, where individual properties are frequently held through separate LLCs and complex partnership structures.
- Following legal challenges and regulatory uncertainty, Treasury suspended enforcement against domestic entities in March 2025. FinCEN's August 2026 final rule made the domestic reporting exemptions permanent under the current regulatory framework. (Roundtable Weekly, March 28, 2025)

Recommendations

Support Measures that Encourage Capital Formation and Reduce Regulatory Burdens: RER, along with its coalition partners, repeatedly raised concerns about the regulatory burden posed by the CTA and has supported the court challenges to the law. RER supports FinCEN's final rule exempting domestic companies from CTA reporting requirements and continues to advocate for a balanced approach to combating illicit finance.

- Preserve reporting exemptions that reduce unnecessary compliance costs for real estate owners, investors, and businesses.
- Support targeted measures against illicit finance without imposing disproportionate reporting burdens on law-abiding businesses or discouraging capital formation.