

Corporate Transparency Act's Reporting Obligations Back in Effect with Upcoming Deadlines, by Seth Meyer, Esq. and Alisha Talati, Esq., 2-21-2025

UPDATE: FinCEN announced on Feb. 27 that it will not issue any fines or penalties or take any other enforcement actions against any companies based on any failure to file or update beneficial ownership information (BOI) reports pursuant to the Corporate Transparency Act by the current deadlines, which includes the pressing March 21, 2025 deadline. No fines or penalties will be issued, and no enforcement actions will be taken, until a forthcoming interim final rule becomes effective and the new relevant due dates in the interim final rule have passed. **No later than March 21, 2025**, FinCEN intends to issue an interim final rule that extends BOI reporting deadlines.

Companies must once again comply with the Corporate Transparency Act's (CTA's) Beneficial Ownership Information (BOI) reporting requirements as a result of a recent Texas federal court decision.

On February 17, 2025, U.S. District Court for the Eastern District of Texas Judge Jeremy Kernodle lifted the earlier preliminary injunction issued in *Smith, et al. v. U.S. Department of the Treasury, et al.*, 6:24-cv-00336 (E.D. Tex.) that had suspended the CTA's reporting requirements and enforcement powers. As a result, the Court's January 7, 2025 order granting preliminary relief is stayed pending the government's appeal to the Fifth Circuit.

The judge's decision comes on the heels of a recent Supreme Court ruling in a similar challenge, *Texas Top Cop Shop, Inc. v. McHenry*, which lifted a similar nationwide preliminary injunction on the CTA.

Given the latest turn of events and recently released guidance from FinCEN, most reporting companies have until March 21, 2025 to complete their mandatory filings with certain exceptions outlined further below.

Background

On January 7, 2025, the U.S. District Court for the Eastern District of Texas issued an order staying the Department of Treasury's Financial Crimes Enforcement Network's (FinCEN's) regulations implementing the BOI reporting requirements, precluding FinCEN from requiring BOI reporting or otherwise enforcing the CTA's requirements. On February 5, 2025, the U.S. Department of Justice—on behalf of Treasury—filed a notice of appeal of the district court's order and, in parallel, requested a stay of the order during the appeal. On February 17, 2025, the court agreed to stay its January 7, 2025 order until the appeal is resolved.

Following the court order, FinCEN updated its guidance to reflect extended reporting deadlines, noting that the agency will take the next month to "assess its options to further modify deadlines."

According to FinCEN the updated deadlines for impacted entities are as follows:

- For the vast majority of reporting companies, the new deadline to file an initial, updated, and/ or corrected BOI report is now March 21, 2025. FinCEN will provide an update before then of any further modification of this deadline, recognizing that reporting companies may need additional time to comply with their BOI reporting obligations once this update is provided.
- Reporting companies that were previously given a reporting deadline later than the March 21, 2025 deadline must file their initial BOI report by that later deadline. For example, if a company's reporting deadline is in April 2025 because it qualifies for certain disaster relief extensions, it should follow the April deadline, not the March deadline.
- As indicated in the alert titled "Notice Regarding National Small Business United v. Yellen, No. 5:22-cv-01448 (N.D. Ala.)", Plaintiffs in *National Small Business United v. Yellen, No. 5:22-cv01448 (N.D. Ala.)*—namely, Isaac Winkles, reporting companies for which Isaac Winkles is the beneficial owner or applicant, the National Small Business Association, and members of the National Small Business Association (as of March 1, 2024)—are not currently required to report their beneficial ownership information to FinCEN at this time. FINCEN NOTICE 2 Reporting companies can report their beneficial ownership information directly to FinCEN, free of charge, using FinCEN's E-Filing system available at <https://boiefiling.fincen.gov>. More information is available at fincen.gov/boi.

FinCEN has instructed companies to comply with the new deadlines noting that: “Given this decision, FinCEN’s regulations implementing the BOI reporting requirements of the CTA are no longer stayed. Thus, subject to any applicable court orders, BOI reporting is now mandatory, but FinCEN is providing additional time for companies to report.”

Kaufman Dolowich will continue to monitor developments. Read more about past development in KD’s blog [here](#).

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