

Clients & Friends Memo

The Corporate Transparency Act's Reporting Obligations Are Back in Force

February 20, 2025

The Corporate Transparency Act's ("CTA") reporting obligations are back in effect after a nationwide court order blocking the CTA's implementing regulations was stayed on February 17, 2025. Most reporting companies are now required to file beneficial ownership information ("BOI") reports by March 21, 2025.¹ Reporting companies should be prepared to file by the new deadline, even though that deadline could be extended by the U.S. Department of Treasury's Financial Crimes Enforcement Network ("FinCEN") or by legislation moving through Congress.

On February 17, 2025, the U.S. District Court for the Eastern District of Texas, citing a recent Supreme Court order in *McHenry v. Texas Top Cop Shop, Inc.*, granted a stay of an order that blocked implementation of the CTA's implementing regulations, including the BOI filing deadline.² The next day, FinCEN issued a notice announcing new BOI reporting deadlines.³ FinCEN's notice states that most reporting companies must file BOI reports by March 21, 2025.⁴

FinCEN's notice notes several exceptions to the March 21, 2025 deadline. Reporting companies that previously received a reporting deadline later than March 21, 2025, may still file their initial BOI reports by the later deadline.⁵ For example, for any reporting company that qualifies for disaster relief related to Hurricane Debby, Francine, Helene, or Milton, the reporting deadline remains April 23, 2025.⁶ In addition, plaintiffs in *National Small Business United v. Yellen*, No. 5:22-cv-01448

¹ FinCEN Notice, FIN-2025-CTA1, *FinCEN Extends Beneficial Ownership Information Reporting Deadline by 30 Days; Announces Intention to Revise Reporting Rule* (February 18, 2025) [hereinafter FinCEN Extension Notice], available at <https://fincen.gov/sites/default/files/shared/FinCEN-BOI-Notice-Deadline-Extension-508FINAL.pdf>.

² Order, *Smith v. U.S. Dep't of the Treasury*, No. 6:24-cv-336-JDK (E.D. Tex. Feb. 17, 2025), ECF No. 39.

³ FinCEN Extension Notice, *supra* note 1.

⁴ *Id.*

⁵ *Id.*

⁶ See FinCEN Notice, FIN-2024-NTC8, *FinCEN Provides Beneficial Ownership Information Reporting Relief to Victims of Hurricane Debby; Certain Filing Deadlines in Affected Areas Extended Six Months* (Oct. 29, 2024), available at <https://fincen.gov/sites/default/files/shared/FinCEN-BOI-Notice-Debby-508FINAL.pdf>; FinCEN Notice, FIN-2024-NTC9, *FinCEN Provides Beneficial Ownership Information Reporting Relief to Victims of Hurricane Francine; Certain Filing*

(N.D. Ala.)—namely, members of the National Small Business Association as of March 1, 2024—are not currently required to file BOI reports.⁷

While the CTA is back in effect with a new reporting deadline, several pending developments could affect the CTA's scope and deadline. FinCEN's notice states that between now and the March 21, 2025 reporting deadline, the bureau “will assess its options to further modify deadlines, while prioritizing reporting for those entities that pose the most significant national security risks.”⁸ In addition, legislation pending in Congress, if enacted as law, would delay the reporting deadline to January 1, 2026 for all entities formed before January 1, 2024.⁹ Finally, FinCEN has announced plans, without elaboration, “to initiate a process this year to revise the BOI reporting rule to reduce burden for lower-risk entities, including many U.S. small businesses.”¹⁰

The constitutionality of the CTA remains on appeal in the Eleventh Circuit, where a U.S. district court in Alabama found the CTA unconstitutional, and in *Texas Top Cop Shop* in the Fifth Circuit, where oral argument is scheduled for April 1, 2025.¹¹ In Michigan, Oregon, and Virginia, U.S. district courts have denied preliminary injunctions with respect to the CTA.¹² In Maine, a U.S. district court granted summary judgment, holding that the CTA is a valid exercise of congressional power.¹³

For now, the CTA and its implementing regulations remain enforceable. We will continue to monitor developments as they occur.

Deadlines in Affected Areas Extended Six Months (Oct. 29, 2024), available at <https://fincen.gov/sites/default/files/shared/FinCEN-BOI-Notice-Francine-508FINAL.pdf>; FinCEN Notice, FIN-2024-NTC10, *FinCEN Provides Beneficial Ownership Information Reporting Relief to Victims of Hurricane Helene; Certain Filing Deadlines in Affected Areas Extended Six Months* (Oct. 29, 2024), available at <https://fincen.gov/sites/default/files/shared/FinCEN-BOI-Notice-Helene-508FINAL.pdf>; FinCEN Notice, FIN-2024-NTC11, *FinCEN Provides Beneficial Ownership Information Reporting Relief to Victims of Hurricane Milton; Certain Filing Deadlines in Affected Areas Extended Six Months* (Oct. 29, 2024), available at <https://fincen.gov/sites/default/files/shared/FinCEN-BOI-Notice-Milton-508FINAL.pdf>.

⁷ *Beneficial Ownership Information*, FINCEN, available at <https://fincen.gov/boi> (last accessed Feb. 19, 2025).

⁸ FinCEN Extension Notice, *supra* note 1.

⁹ The House passed the *Protect Small Businesses from Excessive Paperwork Act of 2025* (H.R. 736) unanimously on February 10, 2025. A companion bill, S.505, is still pending in the Senate.

¹⁰ FinCEN Extension Notice, *supra* note 1.

¹¹ Notice of Appeal, *Nat'l Small Bus. United v. Yellen*, No. 5:22-CV-1448-LCB (N.D. Ala. Mar. 11, 2024), ECF No. 54; Clerk's Memorandum, *Texas Top Cop Shop, Inc. v. Bondi*, No. 24-40792 (5th Cir. Feb. 11, 2025), ECF No. 220-1.

¹² Case Management Order, *Small Bus. Ass'n. of Mich. v. Yellen*, No. 1:24-cv-314 (W.D. Mich. Apr. 26, 2024), ECF No. 24; Notice of Appeal, *Firestone v. Yellen*, No. 3:24-CV-1034-SI (D. Or. Nov. 18, 2024), ECF No. 19; Notice of Appeal, *Cmty. Associations Inst. v. Yellen*, No. 1:24-CV-1597 (MSN/LRV) (E.D. Va. Nov. 4, 2024), ECF No. 41.

¹³ Order on Cross-Motions for Summary Judgment, *Boyle v. Bessent*, No. 2:24-CV-00081-SDN (D. Me. Feb. 14, 2025), ECF No. 51.

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