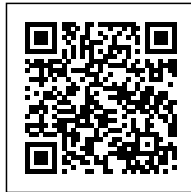


CORPORATE TRANSPARENCY ACT IS ONCE AGAIN ENFORCEABLE, REQUIRING REPORTING COMPANIES TO COMPLY WITH BOI REPORTING OBLIGATIONS

Posted on February 20, 2025 by Brian J. Sabin



Tags: [Corporate Transparency Act](#), [CTA](#)



Following months of uncertainty, the Corporate Transparency Act (the “**CTA**”) is once again enforceable. As a result, the Beneficial Ownership Information (“**BOI**”) reporting requirements are in effect for any LLC, corporation, or other entity that is created by filing a document with a Secretary of State office (or similar office) unless it is an exempt entity (“**Reporting Companies**”).

The U.S. Supreme Court previously issued an order on January 23, 2025, staying the injunction that had blocked enforcement of the CTA in *Texas Top Cop Shop, Inc. v. McHenry* (604 U. S. ____ (2025)) (previously styled *Texas Top Cop Shop v. Garland*). That order would have allowed enforceability of the CTA. However, a separate federal court order in *Smith, et al. v. U.S. Department of Treasury, et al.* (Case No. 6:24-cv-336), issued prior to the U.S. Supreme Court order, delayed the effective date of the CTA, creating a unique legal landscape where the CTA remained unenforceable.

On February 17, 2025, in *Smith, et al. v. U.S. Department of Treasury, et al.* (Case No. 6:24-cv-336), the

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United States District Court for the Eastern District of Texas granted a stay order on its prior order that resulted in a preliminary nationwide injunction on enforcement of the CTA.

As a result of the *Smith* court's February 17 order, the CTA is now enforceable nationwide.

What Does This Mean for Reporting Companies?

Because the CTA is now enforceable, Reporting Companies must file their BOI reports if they have not already done so.

What are the Deadlines for Reporting Companies to File their BOI Reports?

In response to the *Smith* court's February 17 order, the Department of the Treasury's Financial Crimes Enforcement Network ("**FinCEN**") issued a [notice](#) with updated BOI Report filing deadlines.

- For the majority of Reporting Companies, the new deadline to file an initial, updated, and/or corrected BOI report is now **March 21, 2025**. FinCEN noted that it will provide an update before such deadline with any further modifications of the deadline, recognizing that reporting companies may need additional time to comply with their BOI reporting obligations.
- Reporting Companies that were previously given a filing deadline later than March 21, 2025, should continue to comply with such later deadline. This later deadline is generally applicable as an exception for Reporting Companies qualifying for disaster relief.
- Reporting Companies formed or registered on or after February 18, 2025, are required to file their BOI reports within 30 days after the date of their formation or registration.

In the February 18 notice, FinCEN expressly reserved the right to assess its options to further modify filing deadlines, noting that it may revise BOI reporting rules later in 2025 "to reduce the reporting burden on lower-risk entities, including many U.S. small businesses."

Could the BOI Filing Deadlines, BOI Reporting Requirements and/or Enforceability of the CTA Change Again?

Yes. As noted above, FinCEN already has plans to reconsider BOI filing deadlines and reporting requirements later this year. Additionally, there are still several court appeals pending that could impact the enforceability of the CTA. However, none of the appeals are anticipated to be completed prior to the March 21, 2025 filing deadline applicable to most Reporting Companies. Therefore, Reporting Companies that have not already filed their BOI reports should act quickly to do so before March 21, 2025 in order to avoid potential penalties.

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Need Assistance?

For more information on the CTA and guidance on how to comply, please visit our [Corporate Transparency Act Guidance page](#). Our team at Capes Sokol is here to assist you in navigating these requirements and ensuring your company meets all necessary deadlines and regulations.

Stay Informed

Given the rapidly evolving legal landscape surrounding the CTA, it is crucial for businesses to stay informed about updates from FinCEN and relevant court decisions. For the latest information, visit the [FinCEN BOI webpage](#).

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