

ISSUE ALERTS

CTA REPORTING REQUIREMENTS REINSTATED WITH EXTENDED DEADLINE TO MARCH 21, 2025

February 21, 2025

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On Feb. 18, 2025, the U.S. District Court for the Eastern District of Texas issued a ruling in *Smith v. U.S. Department of the Treasury*, Case No. 6:24-cv-00336-JDK (E.D. Tex.), staying its earlier Jan. 7 order that had granted a nationwide injunction against the Corporate Transparency Act's ("CTA") reporting requirement. This decision reinstates the CTA's mandate that certain reporting companies submit Beneficial Ownership Information ("BOI") reports to the Financial Crimes Enforcement Network ("FinCEN").

We previously reported the U.S. Supreme Court stayed a separate nationwide injunction in *Texas Top Cop Shop, Inc. v. McHenry*, Case No. 4:24-cv-478 (E.D. Tex., formerly *Texas Top Cop Shop v. Garland*). With both injunctions now stayed, the CTA's reporting obligations are back in effect.

In response, FinCEN has extended the filing deadline for most reporting companies to March 21, 2025. Companies that were previously granted a later deadline, such as those qualifying for disaster relief, should continue to follow their individualized deadlines. FinCEN also noted that it plans to assess its options for modifying deadlines further during this extension period, with a focus on entities that pose the greatest national security risks. FinCEN intends to implement a process later this year to reduce the reporting burden for lower-risk entities, which will include many small U.S. businesses.

Although there have been legislative efforts to delay or curb the CTA's reporting requirements, none have been enacted into law. The U.S. House of Representatives recently passed the "Protect Small Businesses from Excessive Paperwork Act" by a vote of 408-0, which would push the BOI reporting deadline for existing reporting companies to Jan. 1, 2026 — one year later than the original deadline. However, companies formed after Jan. 1, 2024, would still be subject to the CTA's original filing deadline of 30 days after formation. As of this publication, the bill has been referred to the Senate Committee on Banking, Housing, and Urban Affairs but has not yet been submitted for a Senate vote.

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Until the CTA or its regulations are changed, reporting companies who have not previously filed their BOI reports or any updates should do so by the new March 21 deadline, as well as any BOI reports or updates that come due thereafter.

FOR MORE INFORMATION

If you have questions or want more information regarding the Corporate Transparency Act, contact your legal counsel. If you do not have regular counsel for such matters, Foulston Siefkin LLP would welcome the opportunity to work with you to meet your specific needs. For more information, contact Bill Matthews at 316.291.9556 or bmatthews@foulston.com. For more information on the firm, please visit our website at www.foulston.com.

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