



The Corporate Transparency Act is Back, with a New Filing Deadline

Client Advisories

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Companies that are required to file beneficial ownership information ("BOI") reports with the U.S. Department of Treasury's Financial Crimes Enforcement Network ("FinCEN") under the Corporate Transparency Act ("CTA") must generally do so by the new filing deadline of Friday, March 21, 2025.

Background

To refresh your recollection, on January 23, 2025, in the McHenry v. Texas Top Cop Shop case, the U.S. Supreme Court entered an **order** staying a nationwide (a.k.a., universal) preliminary injunction preventing FinCEN from enforcing the CTA. However, at that time, there was a second nationwide **preliminary injunction** issued by the U.S. District Court for the Eastern District of Texas in the Smith v. U.S. Treasury Department case.

As a result, on January 24, 2025, FinCEN issued an alert stating that in light of the second preliminary injunction, reporting companies (1) were not currently required to file beneficial ownership information ("BOI") reports and (2) would not be subject to liability for penalties if they failed to file while the second preliminary injunction remained in force. See our prior **advisory**.

On February 5, 2025, the U.S. government filed a notice of appeal of the Smith preliminary injunction to the U.S. Court of Appeals for the Fifth Circuit and, at the same time, filed a motion with the U.S. District Court for the Eastern District of Texas requesting it to stay (i.e., vacate) its nationwide preliminary injunction pending the disposition of its appeal.

What Happened?

On Monday, February 17, 2025, as a result of the U.S. Supreme Court's order in the Texas Top Cop Shop case, the District Court entered an **order** staying its preliminary injunction pending a disposition of the U.S. government's appeal by the Fifth Circuit. This means that reporting companies must file their BOI reports and FinCEN may enforce the CTA by, among other things, imposing civil penalties, which in 2025 equal \$606 per day.

On Tuesday, February 18, 2025, FinCEN issued a **notice** and on Wednesday, February 19, 2025, FinCEN posted an **alert** on its website, both announcing a new general filing deadline of March 21, 2025. This deadline applies to initial, updated, and corrected BOI reports under the CTA.

The filing deadlines for reporting companies can be summarized as follows:

- If a company was in existence prior to January 1, 2024 (which had an initial filing deadline of January 1, 2025), it is required to file its BOI report by March 21, 2025 if it has not already done so.
- If a company was formed between January 1, 2024 and December 21, 2024, it was required to file its BOI report within 90 days of its formation. If it did not do so, it is required to file the BOI report by March 21, 2025.
- If a company was formed between December 22, 2024 and December 31, 2024, it is required to file its BOI report within 90 days of its formation, which would be a date after March 21, 2025 (and not by March 21, 2025) (e.g., a company formed on December 22, 2024 is required to file by March 22, 2025 and a company formed on December 31, 2024 is required to file by March 31, 2025).
- If a company was formed between January 1, 2025 and February 19, 2025, it is required to file its BOI report within 30 days of its formation. If it did not do so, it must file its BOI report by March 21, 2025.
- If a company is formed on or after February 20, 2025, it is required to file its BOI report within 30 days of its formation (e.g., a company formed on February 20, 2025 is required to file by March 22, 2025).
- If a company qualifies for one of the five hurricane disaster relief extensions (see the **FinCEN website**) and that extended filing deadline is later than March 21, 2025, then it is required to file its BOI report by that later date (and not by March 21, 2025).

Is It Over?

To quote Yogi Berra, “It ain’t over ‘til it’s over.” There are more than a few things going on and we don’t know whether or how they will impact the CTA.

First, in its latest alert and notice, noted above, FinCEN acknowledged the U.S. Treasury Department’s “commitment to reducing regulatory burden on businesses” and stated that during the 30-day period through March 21, 2025, it “will assess its options to further modify deadlines, while prioritizing reporting for those entities that pose the most significant national security risks.” Whatever this means, it is unlikely to help companies that are required to file BOI reports by March 21, 2025.

Second, in the same alert and notice, FinCEN also stated that it “intends 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.” It is unknown when this process will be completed, but the use of the term “this year” is a good indication that it will not be completed before March 21, 2025. Also, what are lower-risk companies? Further, for most reporting companies, especially newly formed companies, gathering the required information and filing a BOI report (which generally takes no more than 15 minutes) is hardly a burden.



Third, there are at least a dozen federal lawsuits in various stages challenging the constitutionality of the CTA, including on appeal before several U.S. Courts of Appeals. Some district courts have held that the CTA is constitutional; others have held, at least preliminarily, that the CTA is unconstitutional. However, although nothing is certain, in light of the U.S. Supreme Court's order, it is unlikely that there will be another nationwide preliminary injunction. Further, it is widely believed that the U.S. Supreme Court will eventually determine whether the CTA is constitutional (e.g., whether Congress exceeded its authority under the U.S. Constitution), but it is unknown when the question will be ripe for it to do so.

Fourth, on February 10, 2025, the U.S. House of Representatives passed legislation to extend the filing deadline to January 1, 2026. Companion legislation was introduced in the U.S. Senate on February 12, 2025, and is pending. However, the extension of the deadline would be applicable only to reporting companies in existence prior to January 1, 2024. Reporting companies formed on or after January 1, 2024 would still be required to file their BOI reports.

Fifth, legislation to repeal the CTA was introduced in the U.S. Senate on January 24, 2025 and in the U.S. House of Representatives on January 25, 2025, and is pending. They are unlikely to be passed prior to the March 21, 2025 filing deadline (if at all).

Finally, as we noted in a prior **advisory**, the Heritage Foundation's Project 2025 report proposed a repeal of the CTA, but President Trump has disavowed the report. Further, although the Trump Administration is committed to reducing the regulatory burden on business, since the inauguration, the U.S. government has filed legal briefs in the U.S. Courts of Appeals defending the CTA.

Conclusion

Unless something happens before March 21, 2025, reporting companies should file their BOI reports by March 21, 2025 (or their applicable deadline). For an understanding of a company's obligations under the CTA, including determining if a company is required to file and, if so, identifying its "beneficial owners", see our prior **comprehensive advisory**.

If you have any questions, please contact **Gianfranco Pietrafesa** at gpietrafesa@archerlaw.com or 201-498-8559, or any member of Archer & Greiner's **Business Counseling Group**.

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