

## Recent Developments: Nationwide CTA Injunction Lifted, New March 21, 2025, Reporting Deadline Set, and Reporting Rule May Be Modified

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February 20, 2025

### Key Takeaways:

- The Corporate Transparency Act (CTA) reporting requirements are back in effect following a Texas district court decision entered on February 18.
- According to the Financial Crime Enforcement Network (FinCEN), the new general deadline for most reporting companies filing initial, updated, and corrected BOI reports is March 21-and the deadline for a reporting company with a previously given later deadline is the later deadline.
- In the interim, FinCEN “will assess its options to further modify deadlines, while prioritizing reporting for those entities that pose the most significant national security risks.”
- FinCEN also “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.”

### Background:

On January 23, 2025, the United States Supreme Court (SCOTUS) reversed the U.S. district court’s preliminary injunction staying the Corporate Transparency Act (CTA) and the implementing Reporting Rule in *Texas Top Cop Shop v McHenry* (f/k/a *Texas Top Cop Shop v Garland*), Case No. 4:24-cv-00478 (E.D. Tex. 2024). For background, see our previous alerts describing the *Texas Top Cop Shop* district court’s December 3, 2024, opinion and order, and the Fifth Circuit’s decisions lifting and later reinstating the district court’s nationwide stay.[1]

A separate nationwide stay of the CTA Reporting Rule issued on January 7, 2025, by another Texas district court in *Smith v U.S. Department of Treasury*, Case No. 6:24-cv-00336 (E.D. Tex. Jan 7, 2025) was not affected by the SCOTUS order in *Texas Top Cop Shop* and remained in effect.[2]

On January 24, 2025, FinCEN published an updated alert acknowledging that, in light of the continuing effect of the nationwide stay in *Smith*, reporting companies were at that time not required to report beneficial ownership information but could do so voluntarily.[3]

On February 5, 2025, the Department of Justice (DOJ) appealed the *Smith* nationwide stay to the Fifth Circuit and filed a motion with the *Smith* district court asking it to lift that stay in view of the SCOTUS order in *Texas Top Cop Shop*. DOJ stated that, if lifted, FinCEN intended to extend reporting deadlines for 30 days and, during that period, evaluate whether to revise reporting requirements on “low-risk” entities and prioritize enforcement on the “most significant national security risks.”

On February 6, 2025, FinCEN published a new alert acknowledging the DOJ’s pending appeal in *Smith* and motion requesting the district court to lift the stay in *Smith*. FinCEN also confirmed its intention, if the stay was lifted, to extend the reporting deadline by 30 days and to assess options to modify further reporting deadlines for “lower-risk” entities during the 30-day period.

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### **Smith District Court Lifts Stay of CTA Reporting Rule:**

On February 18, 2025, the *Smith* district court stayed the preliminary relief granted in its January 5, 2025, order, including the nationwide stay of the CTA Reporting Rule, pending disposition of the *Smith* appeal to the Fifth Circuit.[4]

### **CTA Reporting Requirements Back in Effect:**

On February 19, 2025, FinCEN published an updated alert stating that, in view of the *Smith* district court's decision, **"beneficial ownership information (BOI) reporting requirements under the Corporate Transparency Act (CTA) are once again back in effect."** FinCEN generally extended the deadline for most reporting companies filing initial, updated and corrected BOI reports to March 21, 2025 (30 calendar days from February 19, 2025). FinCEN also stated that "during this 30-day period, FinCEN will assess its options to further modify deadlines, while prioritizing reporting for those entities that pose the most significant national security risks" and that "FinCEN also 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." At the same time, FinCEN also updated two other alerts with respect to *Texas Top Cop Shop* and *National Small Business United v Yellen*.<sup>[5]</sup>

### **FinCEN Updated CTA Reporting Deadlines:**

The updated deadlines, as set forth in the FinCEN updated alert, follow:

- For the "vast majority" of reporting companies, the new deadline to file an initial, updated, and/or corrected BOI report is **March 21, 2025**. FinCEN also stated that it will provide an update before that deadline of any further deadline modifications, recognizing that more time may be needed to meet BOI reporting obligations.
- For reporting companies that were previously given a reporting deadline later than the March 21, 2025, the applicable deadline is that later deadline. FinCEN included as an 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."
- FinCEN also noted that the plaintiffs in *National Small Business United v. Yellen* are not currently required to report their beneficial ownership information to FinCEN. See FinCEN alert "Notice Regarding National Small Business United v. Yellen, No. 5:22-cv-01448 (N.D. Ala.)".

For additional information, see the FinCEN February 19, 2025, updated Alert, Beneficial Ownership Information Reporting | FinCEN.gov], and FinCEN Notice, FIN-2025-CTA1, *FinCEN Extends Beneficial Ownership Information Reporting Deadline by 30 Days; Announces Intention to Revise Reporting Rule* (February 18, 2025).

If you have questions about your CTA-related engagement with the firm, please contact your Miller Canfield lawyer for further guidance.

[1] Corporate Transparency Act: Miller Canfield

[2] See the *Smith* district court's opinion and order here: [Smith et al v. United States Department of The Treasury et al, No. 6:2024cv00336 - Document 30 (E.D. Tex. 2025).]

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[3] The current FinCEN Alerts can be found here [Beneficial Ownership Information Reporting | FinCEN.gov.]

[4] gov.uscourts.txed.232897.39.0.pdf

[5] [Beneficial Ownership Information Reporting | FinCEN.gov]