Cooley

Corporate Transparency Act Reporting Requirements Reinstated With Deadline Extension

February 20, 2025

In the latest in a series of back-and-forth developments, the Corporate Transparency Act (CTA) is once again enforceable following a federal district court decision, with the Financial Crimes Enforcement Network (FinCEN) extending the beneficial ownership information (BOI) reporting deadline to March 21, 2025, for most reporting companies.

The enforcement of the BOI reporting requirements had previously been halted due to an order from a federal district court in the Eastern District of Texas in *Smith et al. v. US Department of the Treasury et al.* That court has now issued a stay of that order pending appeal. Following this decision, on February 19, FinCEN announced updated filing deadlines:

- **For the vast majority of companies that are required to file new, updated or corrected BOI reports, the filing deadline is now March 21, 2025.**
- For companies that were subject to filing deadlines that are later than March 21, 2025 (e.g., because of disaster relief extensions), the later filing deadline will apply.
- Different requirements also may apply to companies that are parties to other lawsuits challenging the CTA.

Challenges to the constitutionality of the CTA remain pending before the courts, and further developments in litigation – or further action from FinCEN or Congress – may affect the BOI reporting requirements. In particular, the US House of Representatives passed HR 736, which, for companies formed or registered before January 1, 2024, would extend the BOI reporting deadline to January 1, 2026. A related bill (S 505) also was introduced in the US Senate.

FinCEN also indicated that it will assess its options to modify further deadlines or reporting requirements for lower-risk entities, and it may further modify the March 21 deadline. **However, it is not known whether any of these potential developments or modifications will come to pass and, with the March 21 deadline now approaching, entities should assess whether they are covered by these reporting requirements – and, if required, complete and prepare to file BOI reports with FinCEN ahead of the applicable deadline.**

To recap certain earlier developments in CTA litigation:

- On December 3, 2024, in *Texas Top Cop Shop, Inc. et al. v. Garland et al.*, the US District Court for the Eastern District of Texas issued a nationwide preliminary injunction against enforcement of the CTA's reporting requirements, pending resolution on the merits of constitutional challenges brought against the CTA.
- On December 23, a panel of the US Court of Appeals for the Fifth Circuit issued a stay pending appeal of that preliminary injunction, putting the BOI reporting requirements back in effect.
- On December 26, the Fifth Circuit vacated the stay that was issued on December 23, once again pausing the reporting requirements.
- On January 7, 2025, a **different** court in the Eastern District of Texas issued an order in the *Smith* case staying the effective date of the BOI reporting requirements.
- Following the December 26 order of the Fifth Circuit, the US government filed an emergency application to the US Supreme Court seeking a stay of the preliminary injunction in the *Texas Top Cop Shop* case, which the Supreme Court granted on January 23. However, the enforcement of the BOI reporting requirements remained on hold until now as a result of the January 7 order in the *Smith*

More information regarding the CTA, including on topics such as what companies need to report and how to identify beneficial owners, is covered in **this Cooley GO article**. To continue receiving future Cooley alerts regarding enforceability of the CTA, opt in through Cooley's US Corporate Transparency Act Resources page.

This communication and any related article, webinar or presentation provides general information about the CTA. These communications do not constitute legal advice, and we encourage you to consult with an attorney for advice tailored to your specific situation.

Please note that Cooley provides advice related to CTA compliance only to current clients of the firm – and only when we are expressly asked and agree to do so in writing.

These communications do not create an attorney-client relationship between Cooley and you or your company, or create any duties to provide advice with respect to the CTA. Cooley is not responsible for updating you or your company about developments regarding the CTA, including with regard to ongoing litigation challenging the CTA.

This content is provided for general informational purposes only, and your access or use of the content does not create an attorney-client relationship between you or your organization and Cooley LLP, Cooley (UK) LLP, or any other affiliated practice or entity (collectively referred to as "Cooley"). By accessing this content, you agree that the information provided does not constitute legal or other professional advice. This content is not a substitute for obtaining legal advice from a qualified attorney licensed in your jurisdiction, and you should not act or refrain from acting based on this content. This content may be changed without notice. It is not guaranteed to be complete, correct or up to date, and it may not reflect the most current legal developments. Prior results do not guarantee a similar outcome. Do not send any confidential information to Cooley, as we do not have any duty to keep any information you provide to us confidential. When advising companies, our attorney-client relationship is with the company, not with any individual. This content may have been generated with the assistance of artificial intelligence (AI) in accordance with our AI Principles, may be considered Attorney Advertising and is subject to our legal notices.

This information is a general description of the law; it is not intended to provide specific legal advice nor is it intended to create an attorney-client relationship with Cooley LLP. Before taking any action on this information you should seek professional counsel.

Copyright © 2023 Cooley LLP, 3175 Hanover Street, Palo Alto, CA 94304; Cooley (UK) LLP, 22 Bishopsgate, London, UK EC2N 4BQ. Permission is granted to make and redistribute, without charge, copies of this entire document provided that such copies are complete and unaltered and identify Cooley LLP as the author. All other rights reserved.