

**CLIENT ALERT:
CORPORATE TRANSPARENCY ACT REPORTING REQUIREMENTS
ARE BACK IN EFFECT**

Brian W. Bisignani, Esq. and Ryan W. Morris, Esq.

February 20, 2025

On January 23, 2025, the U.S. Supreme Court granted the government's motion to stay the nationwide injunction suspending enforcement of the Corporate Transparency Act ("CTA") that was previously issued by the U.S. District Court for the Eastern District of Texas in the case of *Texas Top Cop Shop, Inc. v. McHenry* (formerly *Texas Top Cop Shop, Inc. v. Garland*). While the government's motion was pending before the Supreme Court on the *McHenry* case, the U.S. District Court for the Eastern District of Texas issued a second nationwide injunction suspending CTA enforcement on January 7, 2025 in connection with a separate case (*Smith v. U.S. Department of the Treasury*).

On February 5, 2025, the U.S. Department of Justice ("DOJ") – on behalf of the U.S. Department of the Treasury ("Treasury") – filed a notice of appeal from the Texas Court's order imposing the secondary CTA injunction in the *Smith* case, along with a parallel motion to stay the injunction pending the outcome of the appeal. In response to the government's motion and notice of appeal, on February 18, 2025, the Texas District Court agreed to stay its second CTA injunction pending the outcome of the government's appeal of the order in the *Smith* case. In the wake of these decisions, the Treasury's Financial Crimes Enforcement Network ("FinCEN") issued a notice announcing that **"beneficial ownership information (BOI) reporting requirements under the Corporate Transparency Act (CTA) are once again back in effect."**

In recognition of the fact that reporting companies may need additional time to comply with their BOI reporting obligations, FinCEN's notice indicates that CTA reporting deadlines for all reporting companies will generally be extended to thirty (30) calendar days from February 19, 2025. 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. FinCEN also intends to initiate revisions to the CTA's BOI reporting rule to reduce the burden for lower-risk entities, including many U.S. small businesses.

What This Means for Reporting Companies

In light of the foregoing, any reporting companies that have not yet filed their BOI reports and are not covered by one of the CTA's twenty-three (23) filing exemptions will be required to file their BOI reports on or before **March 21, 2025**, barring either (i) further developments in the

federal lawsuits challenging enforceability of the statute; or (ii) further modification of the deadline by FinCEN. Reporting companies should consult with their CTA advisors to gather the information and materials needed to prepare and submit their BOI reports in time for this new filing deadline, and/or to otherwise determine their potential eligibility for one or more CTA filing exemptions.

If you have any questions regarding compliance under the Corporate Transparency Act or require assistance in meeting reporting obligations, please contact Brian W. Bisignani, Chair of the Firm's Bankruptcy & Creditors' Rights Practice Group (bbisignani@postschell.com), Ryan W. Morris (rmorris@postschell.com) of the Firm's Corporate Practice Group, or the lawyer at the Firm with whom you regularly consult.

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