

Alert | Financial Regulatory & Compliance



February 2025

CTA UPDATE: US District Court Reinstates Reporting Requirement; FinCEN Grants 30-Day Filing Extension

Go-To Guide:

- On Feb. 18, 2025, the U.S. District Court for the Eastern District of Texas granted the government's motion to stay relief in *Smith v. U.S. Department of the Treasury*, thereby lifting the injunction against the Corporate Transparency Act (CTA) that had been in place in that case.
- As a result, FinCEN confirmed that beneficial ownership information (BOI) reporting requirements under the CTA are once again back in effect, subject to a 30-day filing extension.
- **Most entities will have a reporting deadline of March 21, 2025** (except for reporting companies with later reporting deadlines under existing guidelines).

The CTA's status has shifted multiple times¹ since Dec. 3, 2024, when a Texas district court in *Texas Top Cop Shop, Inc. v. McHenry* (formerly *Texas Top Cop Shop, Inc. v. Garland*) preliminarily enjoined the CTA and its BOI reporting rule (Reporting Rule) on a nationwide basis.

¹ On Dec. 3, 2024, the CTA and its BOI reporting rule were **preliminarily enjoined on a nationwide basis**, approximately four weeks ahead of a key Jan. 1, 2025, deadline. FinCEN appealed that ruling, and on Dec. 23, 2024, a motions panel of the U.S. Court of Appeal for the Fifth Circuit **stayed the injunction**, allowing the CTA to go back into effect. Three days later, on Dec. 26, 2024, a merits panel of the Fifth Circuit vacated the motion panel's stay, effectively **reinstating the nationwide preliminary injunction** against the CTA and the Reporting Rule. On Dec. 31, 2024, the government filed an emergency application with the U.S. Supreme Court to stay that preliminary injunction. On Jan. 23, 2025, the **Supreme Court granted that application** (the SCOTUS Order), staying the

On Jan. 7, 2025, a second federal judge of the U.S. District Court for the Eastern District of Texas (the District Court) ordered preliminary relief barring CTA enforcement in *Smith v. U.S. Department of the Treasury*.² Then, notwithstanding the SCOTUS Order staying the injunction in *Texas Top Cop Shop*, on Jan. 24, 2025, FinCEN confirmed that reporting companies were not required to file BOI Reports with FinCEN due to the separate nationwide relief entered in *Smith* (and while the order in *Smith* remained in effect). On Feb. 5, 2025, the government appealed the ruling in *Smith* to the U.S. Court of Appeals for the Fifth Circuit (the Fifth Circuit) and asked the District Court to stay relief pending that appeal.

CTA Reporting Requirements Back in Effect

On Feb. 18, 2025, the District Court in *Smith* granted a stay of its preliminary injunction pending appeal, thereby reinstating BOI reporting requirements once again. On Feb. 19, 2025, FinCEN issued guidance on its website to reflect this update and to announce that companies have 30 days to submit BOI reports:

With the February 18, 2025, decision by the U.S. District Court for the Eastern District of Texas in *Smith, et al. v. U.S. Department of the Treasury, et al.*, 6:24-cv-00336 (E.D. Tex.), **beneficial ownership information (BOI) reporting requirements under the Corporate Transparency Act (CTA) are once again back in effect**. However, because the Department of the Treasury recognizes that reporting companies may need additional time to comply with their BOI reporting obligations, FinCEN is generally extending the deadline 30 calendar days from February 19, 2025, for most companies.

New Filing Deadlines

Most reporting companies will be required to file BOI reports no later than March 21, 2025, as follows:

- The new deadline to file an initial, updated, and/or corrected BOI report is generally now **March 21, 2025**.
- Companies that were previously given a reporting deadline later than the March 21, 2025, deadline must file their initial BOI report by that later deadline (i.e., companies that qualify for certain disaster relief extensions and companies formed on or after Feb. 20, 2025).

Looking Ahead

In its guidance, FinCEN indicates that it will assess its options to further modify deadlines and initiate a process this year to revise the Reporting Rule to reduce burden for lower-risk entities, including many U.S. small businesses. How this will impact BOI reporting requirements remains to be seen.

Expedited oral arguments for the Fifth Circuit appeal in *Texas Top Cop Shop* are set for March 25, 2025. Unless the courts or Congress³ provide further relief, reporting companies should prepare to comply with the deadlines outlined above. Additionally, reporting companies should stay updated on FinCEN announcements, as further adjustments to reporting deadlines could be issued within the next 30 days.

nationwide preliminary injunction in *Texas Top Cop Shop, Inc. v. McHenry. McHenry v. Texas Top Cop Shop, Inc.*, No. 24A653, 2025 WL 272062 (U.S. Jan. 23, 2025).

² See *Smith v. United States Dep't of the Treasury*, No. 6:24-CV-336-JDK, 2025 WL 41924 (E.D. Tex. Jan. 7, 2025).

³ On Feb. 10, 2025, the House of Representatives unanimously passed the *Protect Small Businesses from Excessive Paperwork Act* (H.R. 736, 119th Cong. (2025)). The bill has moved to the Senate for consideration. If enacted, the bill will extend the reporting deadline for entities that qualify as "a small business concern" to Jan. 1, 2026.

For additional information regarding the CTA and its reporting requirements, visit GT's [CTA Task Force](#) page.

Authors

This GT Alert was prepared by:

- [Kyle R. Freeny](#) | +1 202.331.3118 | freenyk@gtlaw.com
- [Marina Olman-Pal](#) | +1 305.579.0779 | Marina.Olman@gtlaw.com
- [Hilary R. Sledge-Sarnor](#) | +1 310.586.7825 | Hilary.SledgeSarnor@gtlaw.com
- [Tiffany Monplaisir](#) | +1 305.579.0682 | Tiffany.Monplaisir@gtlaw.com

Albany. Amsterdam. Atlanta. Austin. Berlin⁷. Boston. Charlotte. Chicago. Dallas. Delaware. Denver. Fort Lauderdale. Houston. Kingdom of Saudi Arabia⁸. Las Vegas. London⁹. Long Island. Los Angeles. Mexico City¹⁰. Miami. Milan¹¹. Minneapolis. Munich¹². New Jersey. New York. Northern Virginia. Orange County. Orlando. Philadelphia. Phoenix. Portland. Sacramento. Salt Lake City. San Diego. San Francisco. São Paulo¹³. Seoul¹⁴. Shanghai. Silicon Valley. Singapore¹⁵. Tallahassee. Tampa. Tel Aviv¹⁶. Tokyo¹⁷. United Arab Emirates¹⁸. Warsaw¹⁹. Washington, D.C. West Palm Beach. Westchester County.

*This Greenberg Traurig Alert is issued for informational purposes only and is not intended to be construed or used as general legal advice nor as a solicitation of any type. Please contact the author(s) or your Greenberg Traurig contact if you have questions regarding the currency of this information. The hiring of a lawyer is an important decision. Before you decide, ask for written information about the lawyer's legal qualifications and experience. Greenberg Traurig is a service mark and trade name of Greenberg Traurig, LLP and Greenberg Traurig, P.A. –Greenberg Traurig's Berlin and Munich offices are operated by Greenberg Traurig Germany, LLP, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. *Operates as a separate UK registered legal entity. «Greenberg Traurig operates in the Kingdom of Saudi Arabia through Greenberg Traurig Khalid Al-Thebity Law Firm, a professional limited liability company, licensed to practice law by the Ministry of Justice. +Greenberg Traurig's Mexico City office is operated by Greenberg Traurig, S.C., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. »Greenberg Traurig's Milan office is operated by Greenberg Traurig Studio Legal Associato, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. ›Greenberg Traurig's São Paulo office is operated by Greenberg Traurig Brazil Consultores em Direito Estrangeiro – Direito Estadunidense, incorporated in Brazil as a foreign legal consulting firm. Attorneys in the São Paulo office do not practice Brazilian law. ∞Operates as Greenberg Traurig LLP Foreign Legal Consultant Office. ˆGreenberg Traurig's Singapore office is operated by Greenberg Traurig Singapore LLP which is licensed as a foreign law practice in Singapore. ^Greenberg Traurig's Tel Aviv office is a branch of Greenberg Traurig, P.A., Florida, USA. ¢Greenberg Traurig's Tokyo Office is operated by GT Tokyo Horitsu Jimusho and Greenberg Traurig Gaikokuhojimubengoshi Jimusho, affiliates of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. ‹Greenberg Traurig's United Arab Emirates office is operated by Greenberg Traurig Limited. –Greenberg Traurig's Warsaw office is operated by GREENBERG TRAUIG Nowakowska-Zimoch Wysokiński sp.k., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. Certain partners in GREENBERG TRAUIG Nowakowska-Zimoch Wysokiński sp.k. are also shareholders in Greenberg Traurig, P.A. Images in this advertisement do not depict Greenberg Traurig attorneys, clients, staff or facilities. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. ©2025 Greenberg Traurig, LLP. All rights reserved.*