

# FinCEN Reinstates CTA Reporting Obligations

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On February 18, 2025, the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) announced that beneficial ownership information (BOI) reporting requirements under the Corporate Transparency Act (CTA) are "once again back in effect" after Judge Jeremy Kernodle of the U.S. District Court for the Eastern District of Texas issued an Order to stay his previously issued nationwide preliminary injunction against enforcement of the CTA in the case of *Smith v. United States Department of the Treasury, et al.*

Judge Kernodle noted in his Order that his decision was made in light of the U.S. Supreme Court's recent order in *McHenry v. Texas Top Cop Shop, Inc.*, in which the Supreme Court granted a motion by the federal government to stay a separate nationwide preliminary injunction that was granted in that case.

In connection with FinCEN's announcement, FinCEN stated that the deadline to file initial, updated and/or corrected BOI reports for most reporting companies is extended to March 21, 2025. Reporting companies that were previously given a deadline later than March 21, 2025 must still file their initial BOI report by such later deadline.

Additionally, FinCEN clarified that the plaintiffs in the case of *National Small Business United v. Yellen* are still not required to file BOI reports at this time.

FinCEN said that it would provide an update before the new March 21, 2025 deadline regarding any further modification of the deadline in recognition that reporting companies may need additional time to comply. This indicates that additional deadline extensions are possible.

Kelley Drye is continuing to monitor the status of the CTA and we remain available to assist with any questions you may have regarding the CTA.