

Insights

The Corporate Transparency Act Filing Requirements Are Back—But with a New Deadline

Article

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02.24.2025

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We **last updated** you on the state of the Corporate Transparency Act on December 31, 2024. Since then, there have been a number of further developments. The most important takeaway here is that on February 19, the Financial Crimes Enforcement Network (“FinCEN”), now under the leadership of Scott Bessent, President Trump’s new Treasury Secretary, released a **statement** that reporting is once again mandatory, and that the new reporting deadline is **March 21, 2025**. (However, some Florida companies may have longer to comply—see below).

Summary of Recent Developments

As we noted in our last update, in a pair of contrasting December rulings, the U.S. Court of Appeals for the Fifth Circuit first resurrected the reporting requirement, then, three days later, blocked it once again. Accordingly, FinCEN first provided that the CTA would be enforced, then responded to the second ruling by indicating that all filings would be “voluntary.”

Since then, the CTA’s enforcement has been enjoined by a different Texas judge (who later stayed the injunction), while meanwhile, the U.S. Supreme Court has weighed in and a new presidential administration has taken office. The ultimate result has been the reinstatement of reporting requirements with a new deadline and some additional guidance as described below.

First, while the *Texas Cop Shop* case we referenced in our prior update was making its way to the Supreme Court, yet another judge at the U.S. District Court for the Eastern District of Texas ruled that the CTA was likely unconstitutional, this time in *Smith v. U.S. Department of the Treasury* (“*Smith*”). The Court enjoined enforcement of the CTA with respect to the plaintiffs in that case and stayed the effective date of the Reporting Rule nationwide in early January.

Then, on January 23, 2025, in the *Texas Top Cop Shop* case, the Supreme Court temporarily stayed the nationwide injunction from the Eastern District of Texas that the Fifth Circuit had permitted to remain in effect. Despite this Supreme Court decision, FinCEN announced on January 24, 2025, that reporting companies are not currently required to file beneficial ownership information citing to the nationwide injunction issued in the *Smith* case.

On February 5, 2025, the U.S. Department of the Treasury asked the Eastern District of Texas Court to stay the order in *Smith* while it appealed to the Fifth Circuit in that case. This, along with the fact that the U.S. Department of Justice filed appellate briefs defending the CTA in separate cases pending in the Fourth and Fifth Circuits on February 7, was the first sign from the new administration that, at least for now, it is continuing to defend the CTA.

Finally, on February 18, 2025, the Eastern District of Texas court stayed its prior January 7, 2025 order that had paused the enforcement of the CTA.

This brings us to the current moment. On February 19, FinCEN, responding to the stay in the *Smith* case, announced that the CTA would once again be enforced, and gave Reporting Companies until **March 21, 2025** to file.

Details of FinCEN's New Guidance

In recognition of the confusion and delays caused by the above series of injunctions, stays, and FinCEN announcements, FinCEN has provided reporting companies with what amounts to a 30-day window to file. However, unlike the announcements provided under the prior administration, FinCEN's February 19 notice leaves the door open that, even without further intervention by the courts, filing requirements may be relaxed or modified to be more business-friendly in the future.

Specifically, FinCEN's announcement contains the following language: "Notably, in keeping with Treasury's commitment to reducing regulatory burden on businesses, 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 a process this year to revise the BOI reporting rule to reduce burden for lower-risk entities, including many U.S. small businesses."

The announcement goes on to add that, prior to the new March 21 deadline, "FinCEN will provide an update . . . of any further modification of this deadline, recognizing that reporting companies may need additional time to comply with their BOI reporting obligations once this update is provided."

Interestingly, FinCEN appears to be giving itself leeway to extend even further the reporting deadline if, during the next 30 days, it determines that Reporting Companies may need additional time to comply. Additionally, there is some indication here that FinCEN may attempt to use its federal rulemaking and/or enforcement authority to provide a separate, more lax standard targeting U.S. small businesses.

However, for the present, the reporting requirements have not changed, and, as we have noted in a [**prior article**](#), the requirements are quite strict and sweep nearly all U.S. business entities into the definition of "Reporting Companies", including entities with little to no active business operations (such as, for example, LLCs used solely as real estate holding companies).

Therefore, all Reporting Companies (subject to the exception described below) should now prepare to file the required Beneficial Ownership Information Reports with FinCEN by March 21, 2025, which will need to include identifying information about the Reporting Companies, their equity holders, and, if formed in 2024 or later, the

individuals who formed the Reporting Companies. Information about e-filing can be found here: <https://fincen.gov/boi>

Exception to New Deadline for Disaster Relief

The FinCEN announcement includes an important exception to the March 21 deadline which is relevant to many Florida-based Reporting Companies formed prior to 2024. It indicates that “Reporting 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. For 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.” In other words, if FinCEN had previously extended the deadline for Reporting Companies in disaster-affected regions, that extended deadline will control, rather than the March 21 date.

And in fact, most Florida-based Reporting Companies are in this situation. In a **prior announcement**, FinCEN indicated that Reporting Companies formed before January 1, 2024 whose principal place of business is in one of the locations designated for both FEMA and IRS relief will receive an additional extension of six months. For many Reporting Companies, this may push their BOI report filing deadline to as late as July 1, 2025.

The IRS has designated all of Florida as eligible for Hurricane Milton relief. FEMA has designated most Florida counties as eligible, with the following exceptions: Bay, Calhoun, Escambia, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Leon, Liberty, Okaloosa, Santa Rosa, Wakulla, Walton, and Washington counties.

Therefore, if a Reporting Company was formed prior to 2024 and its principal place of business is in Florida, but not in one of the above listed counties, its reporting deadline may be as late as **July 1, 2025**, due to this disaster relief. Given that the listed counties are primarily limited to the Panhandle region, most Florida-based Reporting Companies formed prior to 2024 will likely still have until mid-2025 to file their initial BOI report. Companies formed in the latter half of 2024 may also be subject to a more limited deadline extension. More information about the disaster-related deadline extension for Florida entities can be found on FinCEN’s website at the following link: <https://fincen.gov/boi> (See the “Alert” titled, “FinCEN has issued five Notices extending the filing deadlines to submit BOI reports for certain reporting companies in response to Hurricane Milton, Hurricane Helene, Hurricane Debby, Hurricane Beryl, and Hurricane Francine.”) If you have questions about your specific company and whether it qualifies for a deadline extension, please contact us.

Future Developments

The situation remains more fluid than most business owners would likely prefer. FinCEN has reserved the option to change the reporting deadline yet again between now and March 21, and also, potentially, to provide a less burdensome reporting regime for certain low-risk entities such as some small businesses.

Additionally, litigation in the *Texas Cop Shop* and *Smith* cases, as well as other cases in other jurisdictions, remains ongoing. Regardless of the outcome of any of these cases at the district court level, further injunctions, stays, appeals to US Courts of Appeal, and ultimately to the Supreme Court, are all on the table.

Finally, congressional action is always possible. On February 10, 2025, the House of Representatives voted unanimously to pass the Protect Small Business from Excessive Paperwork Act of 2025. This bill would delay the BOI reporting date to January 1, 2026 for companies formed or registered prior to January 1, 2024, but it has not yet been considered in the Senate and it is unknown whether the Senate will take it up in time to affect the current March 21 deadline. Some Republicans in Congress have also begun action to repeal the CTA entirely, such

as the Repealing Big Brother Overreach Act, reintroduced last month after failing to be considered last year, but no vote has yet been taken on this bill by either the House or the Senate.

With all of this uncertainty, it is important for business entities that may be Reporting Companies to be prepared for any possibility. Our Firm will continue to monitor the situation, but now that filing is once again mandatory, business owners and control persons are presently advised to gather the necessary information and file by the March 21 deadline (or any later deadline for those companies to which one applies). Please reach out to our Firm if you have any questions about the CTA or your filing requirements.