

# There and Back Again: CTA Reporting Deadlines Set to Resume March 21

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On February 18, 2025, Judge Kernodle of the Eastern District of Texas stayed his own nationwide injunction in *Smith v. Department of the Treasury*, thereby allowing the Corporate Transparency Act (“CTA”) beneficial ownership information (“BOI”) reporting requirements to go back into effect.<sup>1</sup> In response, the U.S. Treasury Department’s Financial Crimes Enforcement Network (“FinCEN”) today issued a notice that the deadline to file an initial, updated, and/or corrected BOI report is now March 21, 2025.<sup>2</sup> Thus, the current deadlines are as follows:

<sup>1</sup> *Smith v. Department of the Treasury*, ECF 39 (E.D. Tex. Feb. 17, 2025). The order, dated February 17, 2025, was not entered onto the docket until the next day. FinCEN refers to the order as the court’s February 18 decision, and calculated its 30-day extension accordingly.

<sup>2</sup> *FinCEN Extends Beneficial Ownership Information Reporting Deadline by 30 Days; Announces Intention to Revise Reporting Rule*, Notice FIN-2025-CTA-1, FinCEN (Feb. 18, 2025), <https://www.fincen.gov/sites/default/files/shared/FinCEN-BOI-Notice-Deadline-Extension-508FINAL.pdf>. FinCEN’s guidance also recognizes that companies that were previously given a reporting deadline later than March 21, 2025 (for example, because a company qualifies for certain disaster relief extensions) should follow the later deadline. Additionally, FinCEN acknowledged that the specific plaintiffs in *National Small Business United v. Yellen*, No. 5:22-cv01448 (N.D. Ala.)—namely, Isaac Winkles, reporting companies for which Isaac Winkles is the beneficial owner or applicant, the National Small Business Association, and members

1. Reporting companies formed or registered on or before February 17, 2025 should file their initial BOI reports by **March 21, 2025**.
2. Reporting companies that needed to update or correct their BOI reports on or before February 17, 2025 should file updated or corrected BOI reports by **March 21, 2025**.
3. Reporting companies formed or registered on or after February 18, 2025 should file their initial BOI reports within **30 days** of formation or registration.
4. All reporting companies should file any new required updates or corrections (i.e., updates or corrections triggered on or after February 18, 2025) to their initial BOI reports within **30 days** from when the underlying change occurred.

Below we provide more detail on the litigation, FinCEN's response, and the open questions that still remain.

### Litigation Background

The district court's order followed after unexpected delays to CTA enforcement. In December 2024, the Fifth Circuit stayed a separate order enjoining the CTA in *Texas Top Cop Shop* and quickly reversed itself to allow the injunction to remain in effect during the appeal (view our prior Client Alerts covering the *Texas Top Cop Shop* injunction: [1](#), [2](#), [3](#)).<sup>3</sup> The Supreme Court permitted the CTA to go back into effect during the Fifth Circuit appeal and potential subsequent Supreme Court appeal.<sup>4</sup> While the *Texas Top Cop Shop* injunction was being challenged, Judge Kernodle issued a separate order delaying the enforcement date of the BOI reporting requirements under the Administrative Procedures Act, effectively enjoining FinCEN from enforcing the CTA altogether.<sup>5</sup> The U.S. government appealed Judge Kernodle's order to the Fifth Circuit in January and moved the court to stay the order pending disposition of the appeal.<sup>6</sup> In its motion, the government noted that if the BOI reporting requirements were permitted to go back into effect, FinCEN would intend "to extend the [CTA] compliance deadline for thirty days [and] assess whether it is appropriate to modify the CTA's reporting requirements to alleviate the burden on low-risk entities while prioritizing enforcement to address the most significant risks to U.S. national security." Judge Kernodle issued a one-page order granting the motion on February 18, 2025, clearing the way for CTA enforcement to begin again.<sup>7</sup>

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of the National Small Business Association (as of March 1, 2024)—are not currently required to report their beneficial ownership information to FinCEN at this time.

<sup>3</sup> *Texas Top Cop Shop, Inc. v. Bessent*, ECF 160-2, No. 24-40792 (5th Cir. Dec. 26, 2024).

<sup>4</sup> *Texas Top Cop Shop, Inc. v. Bessent*, ECF 29, No. 24A653 (Jan. 23, 2025).

<sup>5</sup> *Smith v. Department of the Treasury*, ECF 30 (E.D. Tex. Jan. 7, 2025).

<sup>6</sup> *Smith v. Department of the Treasury*, ECF 33 (E.D. Tex. Feb. 5, 2025).

<sup>7</sup> *Smith v. Department of the Treasury*, ECF 39 (E.D. Tex. Feb. 17, 2025).

## March 21, 2025 Reporting Deadline

Consistent with the U.S. government's motion in *Smith*, FinCEN issued updated guidance extending the BOI reporting deadline for all reporting companies by 30 days. The new deadline to file an initial, updated, and/or corrected BOI report is now March 21, 2025. Although the FinCEN guidance did not specifically address the reporting deadlines for companies formed or registered on or after February 18, 2025, such companies must file their initial BOI reports within 30 days from the date of creation or registration under the CTA and FinCEN's implementing regulations.

In its notice, FinCEN reiterated its intent to “*assess its options to further modify deadlines, while prioritizing reporting for those entities that pose the most significant national security risks.*” The CTA authorizes FinCEN to exempt additional categories of entities if the Secretary of the Treasury, the Attorney General, and the Secretary of Homeland Security determine that BOI reporting would not serve the public interest and would not be highly useful in preventing crime.<sup>8</sup> Given FinCEN's intent to “initiate a process this year . . . to reduce the burden for lower-risk entities,” and the need to promulgate additional exemptions through the regulatory process, reporting companies should not necessarily expect additional relief through exemptions before the new March reporting deadline.

We will continue to closely watch for further updates by FinCEN modifying BOI reporting requirements and identifying which categories of entities may be exempted from future reporting or have their reporting requirements modified.

## Looking Ahead

At the same time, Congress is taking another look at the CTA. Earlier this month, H.R.736, which would extend the reporting deadline for companies formed or registered before January 1, 2024 to January 1, 2026, passed the House of Representatives 408-0.<sup>9</sup> The bill remains pending with the Senate. A competing bill, H.R.425/S.100, would repeal the CTA in its entirety.<sup>10</sup> Thus, there appears to be significant bipartisan support in Congress for delaying the BOI reporting requirements for certain entities further, though the precise nature of any such delays or other relief remains to be seen.

For now, reporting companies must comply with the BOI reporting requirements by March 21, 2025 and all other applicable deadlines going forward, as detailed above.

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<sup>8</sup> See 31 USC 5336(a)(11)(xxiv).

<sup>9</sup> H.R.736 – Protect Small Businesses from Excessive Paperwork Act of 2025, 119<sup>th</sup> Congress, <https://www.congress.gov/bill/119th-congress/house-bill/736>.

<sup>10</sup> H.R.425 – Repealing Big Brother Overreach Act, 119<sup>th</sup> Congress, <https://www.congress.gov/bill/119th-congress/house-bill/425>; S.100 – Repealing Big Brother Overreach Act, 119<sup>th</sup> Congress, <https://www.congress.gov/bill/119th-congress/senate-bill/100>.

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