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**BUSINESS & CORPORATE LAW ALERT REGARDING**  
**CORPORATE TRANSPARENCY ACT**

**Enforcement of CTA Reinstated**  
**FinCEN Announces New BOI Filing Deadline**

FinCEN has announced that reporting requirements for the Corporate Transparency Act are back in effect.

**What Happened:**

- As reported in an [earlier alert issued by Lipsitz Green Scime Cambria](#), on December 26, 2024, the U.S. Court of Appeals for the Fifth Circuit reinstated a nationwide preliminary injunction on the enforcement of the CTA.
- The [preliminary injunction was initially ordered](#) by the U.S. District Court for the Eastern District of Texas on December 2, 2024, in a lawsuit that challenged the constitutionality of the CTA, *Texas Top Cop Shop, Inc., et al. v. Merrit Garland, Attorney General of the United States, et al.*
- On January 7, 2025, the U.S. District Court for the Eastern District of Texas, issued an order in another lawsuit challenging the CTA, *Smith, et al. v. U.S. Department of Treasury, et al.* The January 7<sup>th</sup> ruling also ordered a stay on FinCEN's enforcement of the CTA.
- On February 5, 2025, the U.S. Department of Justice filed an appeal of the January 7<sup>th</sup> ruling and asked that the stay on the enforcement of the CTA be lifted during the appeals process.
- On February 18, 2025, the U.S. District Court for the Eastern District of Texas granted the U.S. Department of Justice's request and lifted the stay on the enforcement of the CTA.
- This ruling from February 18, 2025 gives FinCEN the authority to enforce the [reporting obligations business owners have under the CTA](#).

**Why It Matters:**

- If you have not filed a [Beneficial Ownership Information \(BOI\) report](#) for your business, you are once again required by law to do so.
- Due to the delays caused by ongoing litigation, the Department of Treasury has set a new deadline for filing a BOI report. The new deadline for most businesses is March 21, 2025.
- [Click here](#) for details on the CTA's reporting requirements, which were explained in a previous alert from Lipsitz Green Scime Cambria.

## Penalty for Failing to Comply With CTA:

Those who do not comply with the CTA face serious penalties. According to FinCEN, “the willful failure to report complete or updated beneficial ownership information to FinCEN, or the willful provision of or attempt to provide false or fraudulent beneficial ownership information may result in a civil or criminal penalties, including civil penalties of up to **\$500 for each day that the violation continues**, or criminal penalties including **imprisonment for up to two years** and/or a **fine of up to \$10,000.**”

## FinCEN Guidance On Deadlines:

In response to the February 18<sup>th</sup> court ruling, FinCEN issued a notice to announce new BOI report filing deadlines. The following is the “updated deadlines” information provided in FinCEN’s recent notice.

- *For the vast majority of reporting companies, the new deadline to file an initial, updated, and/or corrected BOI report is now March 21, 2025. FinCEN will provide an update before then 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.*
- *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.*
- *As indicated in the alert titled “Notice Regarding National Small Business United v. Yellen, No. 5:22-cv-01448 (N.D. Ala.)”, Plaintiffs in National Small Business United v. Yellen, No. 5:22-cv-01448 (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 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.*

## What's Next:

- The ultimate fate of the CTA is yet to be determined, as litigation regarding the law remains ongoing.
- Lipsitz Green Scime Cambria will continue to closely monitor additional court actions regarding the CTA, and alert you of any changes to the status of the law.
- If you have any questions on the latest status of the CTA or your obligations to file a BOI report, please contact a member of Lipsitz Green Scime Cambria’s Corporate Law Practice Group.