February 20, 2025

Corporate Transparency Act Reinstated (again)

The brief suspension of Corporate Transparency Act (CTA) is over as the Fifth Circuit on February 18, 2025, stayed the remaining preliminary nationwide injunction against enforcement of the CTA, effectively reinstating the CTA for all but a limited class of potential filers.

The Financial Crimes Enforcement Network (FinCEN), charged with enforcement of the CTA, announced on February 19 that it is now extending the filing period for most reporting companies to March 21, 2025. Learn more on the FinCEN website about Beneficial Ownership Information (BOI) reporting. The exception to this March 21 extension is that reporting companies that were previously given a filing deadline later than the new March 21, 2025, deadline must file their initial BOI report by that later deadline. For example, if a reporting company's filing deadline is in April 2025 because it qualifies for certain FinCEN disaster relief extensions (as further explained on the FinCEN website), it should follow the April deadline, not the March 21 deadline.

Along with the filing deadline extension, FinCEN announced it will assess its options regarding further modification of the applicable CTA deadlines, and perhaps most importantly, is signaling that it may revise the reporting process to prioritize entities that present national security risks and to ease the burden on many other reporting companies.

Although Congress is working on a bill that would extend the CTA filing deadline for pre-2024 reporting companies to January 1, 2026, it is unclear whether or when this may be enacted. Consequently, we recommend that our clients complete and submit any previously unfiled BOI reports by March 21st, and earlier, if possible, to avoid any filing congestion that could slow down or prevent timely filings.

For more details on the CTA and BOI reporting by companies, please see our recent CTA alerts:

Corporate Transparency Act Injunction Reinstated

CTA Injunction Lifted: Filing Deadlines Extended

Corporate Transparency Act Enjoined

Authors

R. Scott Beach
Partner

Greenwich, CT | (203) 862-7824

Stamford, CT | (203) 977-7336

rsbeach@daypitney.com

Lane T. Watson
Partner

Hartford, CT | (860) 275-0355

ltwatson@daypitney.com

Amy R. Lonergan
Partner

Boston, MA | (617) 345-4613

alonergan@daypitney.com

Brian W. Fischer
Partner

Hartford, CT | (860) 275-0635

bfischer@daypitney.com