

Another Injunction of the Corporate Transparency Act is Stayed; FinCEN Announces New Reporting Deadline

February 19, 2025

As reported in our recent series of Client Alerts,¹

- On December 3, 2024, the U.S. District Court for the Eastern District of Texas (the “District Court”) issued a nationwide preliminary injunction in *Texas Top Cop Shop, Inc. et al. v. Garland* (the “*Texas Top Cop Shop*” case) that temporarily blocked enforcement of the Corporate Transparency Act (“CTA”) and the U.S. Department of the Treasury’s Financial Crimes Enforcement Network’s (“FinCEN”) related beneficial ownership information (“BOI”) reporting rules.
- On December 23, 2024, the Fifth Circuit Court of Appeals (the “Court of Appeals”) granted the government’s motion to stay the District Court’s preliminary injunction pending its appeal of that injunction. As a result of the Court of Appeal’s ruling, FinCEN extended the reporting deadline to January 13, 2025.
- On December 26, 2024, in a subsequent ruling, the Court of Appeals reversed itself and vacated its prior order which had granted a stay of the preliminary injunction, leaving the nationwide preliminary injunction in place.
- On December 31, 2024, the government petitioned the Supreme Court of the United States (the “Supreme Court”) to lift the injunction or, alternatively, to narrow the injunction to only apply to the plaintiffs in the case.
- On January 23, 2025, the Supreme Court granted a stay of the District Court’s nationwide injunction pending any further appeals.
- In a separate case (*Smith v. U.S. Department of Treasury*), a judge in the same District Court issued an order which also enjoined FinCEN from enforcing the CTA and stayed the effective date of the BOI reporting rules.

Update as of February 19, 2025

On February 17, 2025, in light of the Supreme Court’s grant of a stay in the *Texas Top Cop Shop* case, the District Court stayed the nationwide preliminary injunction of the CTA issued in *Smith v. U.S. Department of Treasury*. As a result, the BOI reporting rules are now once again enforceable and in effect.

FinCEN has established a new deadline to file an initial, updated, and/or corrected BOI report of March 21, 2025. FinCEN has indicated that prior to this date it will assess its options to further modify deadlines. FinCEN also intends to initiate a process this year to revise the BOI reporting rules to reduce the burden for lower-risk entities, including many U.S. small businesses.

Please also note that it appears Congress may also take action with respect to the CTA and its enforcement. In the House of Representatives, a bill was introduced and unanimously passed giving FinCEN the authority to delay the reporting deadline until January 1, 2026 for reporting companies that were formed prior to January 1, 2024, while a companion bill was also introduced in the Senate. Congressional action with respect to the enforcement of the CTA remains fluid, however.

We continue to monitor the developments in this rapidly changing area and will continue to provide updates.

For More Information

We are available at any time to answer questions, discuss scenarios, and provide guidance. If you would like further information concerning the matters discussed in this article, please contact a member of the Corporate and Securities Department or visit us online at chapman.com.

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- 1 See the following Client Alerts for a history of recent developments regarding enforcement of the Corporate Transparency Act:
- December 9, 2024: "[Corporate Transparency Act Enforcement Temporarily Blocked by Court](#)"
 - December 13, 2024: "[FinCEN Seeks Stay of Corporate Transparency Act Preliminary Injunction](#)"
 - December 17, 2024: "[Government Files an Emergency Motion with the 5th Circuit Court of Appeals to Stay Corporate Transparency Act Preliminary Injunction](#)"
 - December 23, 2024: "[Fifth Circuit Court of Appeals Grants Stay Pending Appeal as to the Preliminary Injunction of the Corporate Transparency Act, and FinCEN Extends CTA Reporting Deadline to January 13, 2025](#)"
 - December 27, 2024: "[Nationwide Preliminary Injunction on Corporate Transparency Act is Back](#)"
 - January 24, 2025: "[Supreme Court Stays Injunction, but Enforcement of the Corporate Transparency Act Remains on Hold](#)"

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