

Latest CTA Injunction Stayed

On February 18, 2025, the U.S. District Court for the Eastern District of Texas **stayed** the nationwide injunction it previously issued in *Smith, et al. v. U.S. Department of the Treasury, et al.*, 6:24-cv-00336 (*Smith* case). That court cited the U.S. Supreme Court's ruling in *McHenry v. Texas Top Cop Shop, Inc.*, No. 24A653 (U.S. Jan. 23, 2025) that stayed the injunction previously issued by the Fifth Circuit Court of Appeals. [Click here for our prior Alert on this topic.](#) Neither decision to stay the injunctions is a decision on the merits of those cases.

In response to the court's decision to stay the nationwide injunction in the *Smith* case, the Financial Crimes Enforcement Network (FinCEN) announced that beneficial ownership information (BOI) reporting requirements under the Corporate Transparency Act (CTA) are back in effect, with a new deadline of **March 21, 2025** (30 days from February 19, 2025), unless a later deadline applies. Companies for whom a later deadline may apply include those whose initial filing deadline is after March 21, 2025, based on certain disaster relief extensions. FinCEN stated that during this 30-day period it "will assess its options to further modify deadlines, while prioritizing reporting for those entities that pose the most significant national security risks." FinCEN also stated that it "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." It is unclear what changes may be made by FinCEN.

Because it is uncertain whether or when FinCEN may further modify this deadline, we suggest that companies complete any analysis necessary to determine whether they are required to make any CTA filing and be prepared to file no later than March 21, 2025, unless a later deadline applies based on such company's specific circumstances. Our attorneys can assist companies with that determination and whether there are any exemptions that are available.

As of the date of this Alert, legislation passed the House that would extend the CTA filing deadline until January 1, 2026, for certain small businesses. Similar legislation was introduced in the Senate.

Cozen O'Connor will continue to monitor the status of the CTA and its filing requirements. Please send any questions to cta@cozen.com.



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