

February 21, 2025

THE CORPORATE TRANSPARENCY ACT IS BACK

By: Jennifer A. Golub, Esq.

As we have previously reported, the Corporate Transparency Act (CTA) has been the subject of numerous court challenges. In January 2025, the *Texas Top Cop Shop, Inc.* case reached the United States Supreme Court, which granted a stay of the nationwide injunction blocking enforcement of the CTA. At the same time, a different Texas district court issued its own nationwide injunction of the CTA reporting obligations in *Smith v. United States Department of the Treasury*.

On February 18, 2025, the Texas district court reconsidered its decision in *Smith* in light of the *Texas Top Cop* Supreme Court decision and issued a stay of its own order, which resulted in CTA reporting obligations being back in effect. FinCEN subsequently announced that for the vast majority of reporting companies, the new deadline to file a beneficial ownership interest report (BOIR) is **March 21, 2025**.

FinCEN further advised that in keeping with the Treasury Department's commitment to reducing regulatory burden on businesses, it will prioritize reporting for entities posing a significant national security risk while continuing to assess its options to further modify deadlines and reporting obligations for lower-risk entities, including U.S. small businesses.

Given FinCEN's reassessment of the CTA, it is possible that the entities to which the CTA applies may be narrowed down. At this time, we recommend clients gather BOIR information now in order to be prepared to file by March 21, 2025.

For further information or to discuss, please contact Jennifer Golub, Esq. at jgolub@spsk.com.

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