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Further Update: Corporate Transparency Act Back in Effect as District Court Lifts Injunction

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The deadlines for filing beneficial ownership information (BOI) reports with the Financial Crimes Enforcement Network (FinCEN) as required by the Corporate Transparency Act (CTA) have been restored with extensions as described in detail below, including a March 21, 2025 deadline for the vast majority of companies filing an initial, updated, and/or corrected BOI report.

On February 17, 2025, a federal district court in Texas granted the government's request to stay the [previously reported](#) nationwide preliminary injunction against the enforcement of the CTA it had issued on January 7, 2025. This decision follows the Supreme Court of the United States' previous decision on January 23, 2025 granting the government's request to stay a separate nationwide preliminary injunction against the CTA's enforcement issued by a federal district court in Texas on December 3, 2024 (the Supreme Court's docket is available [here](#)).

Additionally, on February 18, 2025, FinCEN issued a statement on its website (available [here](#)) confirming the new March 21 deadline and also noting that FinCEN (i) may further modify filing deadlines for entities that do not pose significant national security risks and (ii) intends to initiate a process this year to revise the CTA's BOI reporting requirements for lower-risk entities.

District Court's Ruling on January 7 Injunction:

In a brief order, the Texas district court noted that, in light of the Supreme Court's January 23 order overturning the December 3 injunction, it determined that the government's motion to stay the January 7 injunction should be granted. This decision lifts a nearly month-long block of the CTA, allowing it to be enforced while the government's appeal of the December 3 district court ruling moves forward in the Fifth Circuit Court of Appeals. The Fifth Circuit is scheduled to begin hearing oral arguments in that case on April 1, 2025 (rescheduled from March 25, 2025).

Following the District Court's December 3 Ruling:

- On December 5, the government appealed the December 3 injunction to the Fifth Circuit.
- On December 6, FinCEN issued a statement on its website confirming that companies were not required to submit reports for as long as the December 3 injunction remains in effect.
- On December 13, the government filed an emergency motion for a stay of the December 3 injunction pending appeal in the Fifth Circuit.
- On December 23, the Fifth Circuit granted the government's motion for a stay of the December 3 injunction, which had the effect of reinstating the CTA, including the reporting requirements.
- On December 23, following the Fifth Circuit's granting of the government's motion, FinCEN issued a statement on its website extending certain BOI reporting deadlines.

- On December 26, the Fifth Circuit vacated the stay it granted on December 23 and reinstated the December 3 injunction, which had the effect of suspending BOI reporting requirements.
- On December 27, FinCEN issued a statement on its website noting that companies are not required to, but may voluntarily, file BOI reports while the December 3 injunction remains in force.
- On December 27, the Fifth Circuit released the following briefing schedule for the government's appeal:
 - Appellants' (FinCEN) brief was due February 7
 - Appellees' (plaintiffs) brief is due February 21
 - Appellants' (FinCEN) reply is due February 28
 - Oral arguments begin April 1 (rescheduled from March 25)
- On January 7, a federal district court in Texas issued a nationwide preliminary injunction against the enforcement of the CTA.
- On January 23, the Supreme Court granted the government's motion for a stay of the December 3 injunction.
- On January 24, FinCEN issued a statement on its website noting that companies are not required to, but may voluntarily, file BOI reports while the January 7 injunction remains in force.
- On February 17, the federal district court in Texas granted the government's motion for a stay of the January 7 injunction in light of the Supreme Court's January 23 decision to stay the December 3 injunction.
- On February 18, FinCEN issued a statement on its website extending certain reporting deadlines.

Current Reporting Status:

The CTA's reporting requirements are back in force nationwide. Absent further action from the courts, filings of BOI reports are required. FinCEN posted an alert on its website noting the following:

- For the vast majority of reporting companies, the new deadline to file an initial, updated, and/ or corrected BOI report is extended 30 calendar days to March 21, 2025. FinCEN will provide an update before then of any further modification to this deadline.
- 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.
- During this 30-day period, FinCEN will assess its options to further modify deadlines, while prioritizing reporting for those entities that pose the most significant national security risks.
- FinCEN intends to initiate a process in 2025 to revise the CTA's BOI reporting requirements to reduce the burden for lower-risk entities, including many U.S. small businesses.

Congressional Relief:

Outside of the courts, on February 10, 2025, the United States House of Representatives separately passed H.R. 736 (a copy of which can be found [here](#)) by a unanimous bi-partisan vote of 408 to zero. This bill would extend the deadline for companies formed or registered before January 1, 2024 to submit initial BOI reports to FinCEN from January 1, 2025 (as required under the originally drafted statute) to January 1, 2026. A companion bill, S.505, was introduced in the United States Senate on February 11, 2025.

The CTA, which initially became effective on January 1, 2024, requires, among other things, certain U.S. domestic and foreign companies to report BOI to FinCEN. Extensive information regarding the CTA, FinCEN's rules, and BOI reports is available on FinCEN's website [here](#).

We will continue to monitor developments in this important case and provide updates.

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If you have questions concerning the contents of this alert, or would like more information, please speak to your regular contact at Weil or to any of the following:

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