

Smith preliminary injunction has been stayed - the CTA is BACK

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On February 17, 2025, in a decision by the U.S. District Court for the Eastern District of Texas in Smith, et al. v. U.S. Department of the Treasury, et al., 6:24-cv-00336 (E.D. Tex.), beneficial ownership information (BOI) reporting requirements under the Corporate Transparency Act (CTA) are, once again, back in effect. FinCEN, has provided most entities with a March 21, 2025 filing deadline.

FinCEN indicated on their website that they will “assess its options to further modify deadlines, while prioritizing reporting for those entities that pose the most significant national security risks” during the next thirty days. FinCEN further stated that it “also 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.”

Given the aforementioned guidance on the FinCEN website, the whirlwind of court opinions, and the unanimous vote in the House to delay BOI reporting requirements until January 1, 2025 (matter remains pending before the Senate and has not been signed into law), we expect to be reporting on further updates on this matter.

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