Corporate Transparency Act Filings Reinstated – BOI Reports Due By March 21, 2025

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The **Corporate Transparency Act (CTA)** is fully reinstated following a U.S. Supreme Court ruling and a subsequent decision by the U.S. District Court for the Eastern District of Texas. Most Reporting Companies are now **required to file Beneficial Ownership Information Reports (BOIR) before the March 21, 2025 deadline.**

The Department of Treasury, through the Financial Crimes Enforcement Network (FinCEN), has announced that most Reporting Companies must submit their BOIR by March 21, 2025. Businesses that fail to file by this date may face significant penalties

Key Updates

- **New Compliance Deadline Set:** FinCEN has set **March 21, 2025**, as the deadline for initial, updated, or corrected BOIR submissions.
- **CTA Filing Requirements Are Reinstated:** The U.S. Supreme Court granted the government's emergency stay request, lifting the nationwide injunction that had temporarily halted enforcement. **Reporting Companies must now comply with CTA requirements, including filing BOIR.**
- **Additional Injunction Lifted:** A separate nationwide injunction was granted on January 7, 2025, by the U.S. District Court for Eastern Texas. However, on February 18, 2025, the court ruled that this injunction must also be lifted, resulting in BOI filings now being due by March 21, 2025.
- **FinCEN May Adjust Deadlines**: FinCEN has indicated that it may modify compliance deadlines before March 21, 2025, particularly to ease burdens on small businesses and lower-risk entities. However, businesses should not rely on a possible deadline extension and should plan to file by the current deadline of March 21, 2025.
- **Strict Penalties for Non-Compliance:** Businesses that fail to submit BOIR by March 21, 2025, face civil penalties of **$591** per day and potential **criminal charges** under CTA enforcement.

ACTION: What Businesses Need to Do Now

1. **File BOIR by March 21, 2025:** If your business is a Reporting Company, you **must file a BOIR by this deadline to avoid penalties**. Late filings will result in fines of $591 per day.
2. **Determine Whether Your Business Must File**: A Reporting Company includes most corporations, LLCs, and partnerships, unless they qualify for an exemption. **The most common exemption applies if a company**:
    1. had **more than $5 million in gross revenue in 2024**, **and**

2. has **at least 20 full-time U.S. employees**.

3. **Not Sure If You Need to File?** Contact your attorney at Porzio for guidance or reach out to Sameer Prasla, Esq. at saprasla@pbnlaw.com.

4. **Take Immediate Compliance Steps:** If you have not yet prepared your BOIR, now is the time. FinCEN's BOIR submission portal is available here: https://www.fincen.gov/boi.

5. **Seek Legal Guidance to Avoid Fines & Prosecution**: With CTA enforcement now active, businesses **must** comply or risk steep penalties. Our team can ensure you meet all filing obligations.

Understanding the CTA and Its Impact

Effective January 1, 2024, the CTA aims to combat financial crimes by requiring certain business entities to disclose beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN).

Since December 2023, legal challenges have repeatedly paused and restarted CTA enforcement. With the February 18, 2025 ruling, BOIR filings are now mandatory for all Reporting Companies.

- *December 3, 2024:* Federal District Court in Texas temporarily enjoined and halted the enforcement of the Corporate Transparency Act (CTA).
- *December 23, 2024:* The Fifth Circuit Court of Appeals Motions Panel issued an emergency stay of the District Court's injunction and FinCEN announced a January 13, 2025 filing deadline.
- *December 26, 2024:* The Fifth Circuit Court of Appeals vacated the emergency stay so that CTA enforcement was again halted.
- *December 31, 2024:* The Department of Justice, on behalf of FinCEN, petitionedthe United States Supreme Court to reinstate the stay.
- *January 23, 2025:* The United States Supreme Court granted the government's emergency stay, reinstating CTA enforcement.
- *February 18, 2025*: The U.S. District Court for the Eastern District of Texas lifted its nationwide injunction on CTA enforcement, confirming that BOI reporting is now required.

How Porzio Can Help

We are actively monitoring FinCEN's announcements and ongoing litigation. Our Team can help your business:

- Determine if you are required to file a BOIR.
- Determine who are Beneficial Owners.
- Organize and submit filings efficiently.
- Navigate compliance risks to avoid penalties.

For tailored guidance, contact us at saprasla@pbnlaw.com.

ACTION REQUIRED: File by March 21, 2025, to Avoid Penalties

CTA enforcement is now active – all Reporting Companies must file BOIR by **March 21, 2025**. **Failure to file will result in daily penalties of $591 and potential criminal enforcement.**

Need assistance? Contact Porzio today to ensure compliance.