

## BOI Reporting is Again Mandatory

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February 21, 2025

With a decision on February 17th by a federal judge in Texas, the on-again, off-again obligation of companies to report beneficial ownership information to the government is back on again, as required by the Corporate Transparency Act.

Unless things change again, for most reporting companies, the new deadline to file an initial, updated, and/or corrected BOI report is now March 21, 2025, although FinCEN may further modify this deadline.

If a reporting company was previously given a reporting deadline later than March 21, 2025, the company must file its initial BOI report by that later deadline.

New entities formed or created on or after February 18, 2025, should plan to abide by the 30-day deadline for reporting as originally set forth by the Corporate Transparency Act.

The latest gyration comes from Judge Kernodle of the U.S. District Court for the Eastern District of Texas, who granted the government's motion to stay the preliminary injunction pending the outcome of the appeal in *Smith et al. v. U.S. Dept. of Treasury et al.* That injunction had prevented the reporting requirements from taking effect; the stay allows the requirements to become active. This follows the United States Supreme Court's stay of the preliminary injunction granted in *Texas Top Cop Shop, Inc. v. McHenry* in late January. The upshot of the two stays is that BOI reporting is back.

In response to Judge Kernodle's order, FinCEN posted an alert notifying reporting companies that beneficial ownership reporting requirements are back in effect, but with an extended deadline of 30 calendar days from February 19, 2025, for most companies. FinCEN stated that, during this 30-day period, it will assess its options to further modify deadlines as well its intent to initiate a process to revise the reporting rule and potentially reduce the burden for "lower-risk entities."

Oral arguments on the merits of the preliminary injunction in *Texas Top Cop Shop* are set to take place in the U.S. Court of Appeals for the Fifth Circuit on April 1, 2025.