
Corporate Transparency Act Update - FinCEN Interim Rule

Legal Alert

March 24, 2025

LATEST UPDATE

[5/28/25] Flaster Greenberg attorneys filed a public comment on the Financial Crimes Enforcement Networks (FinCEN) Interim Final Rule amending the Corporate Transparency Acts (CTA) reporting requirements. The comment requests that FinCEN delete or provide a mechanism to request the deletion of information provided by businesses and individuals in compliance with the CTA that is no longer required by law. The full text of the comment is [here](#).

PREVIOUS UPDATES

[3/24/25] On March 21, FinCEN issued an interim rule that implements the reduced scope of the Corporate Transparency Act (CTA) previously announced on March 2.

Under the interim rule, the definition of reporting company is now limited to any entity (i) formed under the laws of a foreign country and (ii) registered to do business with a state or tribal jurisdiction of the United States. Domestic entities formed under the laws of a state or tribal jurisdiction are now explicitly exempted from reporting requirements.

Additionally, the definition of beneficial owner has been reduced to exclude United States persons, which includes United States citizens and lawful permanent residents. Therefore, any foreign companies that are still required to report under the CTA do not have to report any beneficial owners that qualify as United States persons.

Any foreign entities required to comply with the interim rule will have 30 days from publication of the interim rule in the Federal Register to comply with the reporting requirements. As of March 24, the interim rule has not been published in the Federal Register.

FinCEN is currently accepting public comments on the interim rule before formalizing the final rule.

[3/3/25] On **March 2**, the United States Treasury Department announced a permanent suspension of Corporate Transparency Act (CTA) enforcement against domestic reporting companies and their beneficial owners. Foreign companies and beneficial owners may have reporting requirements in the future, but those guidelines are not yet known. [Read more here](#).

[2/20/25] On February 18, a federal court lifted the remaining injunction blocking enforcement of the Corporate Transparency Act (CTA), previously discussed. In response, FinCEN has stated that the reporting deadline for existing companies that have yet to comply with CTA requirements is March 21, 2025.

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If you would like assistance complying with the CTA reporting requirements by the new deadline, please contact your Flaster Greenberg attorney by March 5, 2025, to ensure there is sufficient time to complete the filing.

Please note that FinCEN has indicated that it may modify reporting requirements and a bill has been passed by the House of Representatives extending the deadline to comply with the CTA. We will provide additional updates as required.

[2/6/25] Update as of February 5, 2025: The government appealed the nationwide injunction blocking CTA enforcement in *Smith, et al. v. U.S. Department of the Treasury, et al.*, 6:24-cv-00336 (E.D. Tex.). FinCEN updated its website to advise that if the injunction is lifted, businesses will have 30 days from the date the injunction is lifted to complete required CTA filings. However, FinCEN also indicated it may further modify deadlines and reporting requirements for some entities.

[1/24/25] Despite a Supreme Court ruling on January 23, there have been no material changes regarding Corporate Transparency Act (CTA) filing obligations. As of January 23, current FinCEN guidance is that no entity is required to comply with the CTA until further notice. Lower court cases will continue in the coming months.

Additionally, congressional bills have been proposed that would repeal the CTA in its entirety, but it is unclear if and when such bills might become law.

We will continue to monitor both judicial and legislative developments and provide updates when appropriate.

Injunction Reinstated

(12/24/24) Important update to the Courts December 23rd decision that had reinstated Corporate Transparency Act (CTA) filing requirements: As of December 26th, the reporting requirements have been paused yet again. The initial District Court injunction, which was discussed here, was reinstated by the Fifth Circuit on December 26th. Therefore, even though the case and appeal are still pending, as of December 26, 2024, businesses are exempt from the January 1 or delayed January 13 deadlines for filing beneficial ownership information under the CTA until further court order.

On December 23, 2024, the U.S. Court of Appeals for the Fifth Circuit **granted the governments emergency motion** to lift the injunction and stay on all beneficial ownership information filings under the Corporate Transparency Act (CTA). As a consequence, all CTA deadlines are reinstated. Immediately after the ruling, FinCEN extended the filing deadlines via an update to its website, as posted below. Crucially, FinCEN extended the January 1, 2025 reporting deadline for pre-2024 entities to January 13, 2025. Flaster Greenberg continues to monitor the CTA and will release any new information as it develops. Otherwise, please be prepared to submit the beneficial ownership information reports by the applicable deadline.

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In light of a December 23, 2024, federal Court of Appeals decision, reporting companies, except as indicated below, are once again required to file beneficial ownership information with FinCEN. However, because the Department of the Treasury recognizes that reporting companies may need additional time to comply given the period when the preliminary injunction had been in effect, we have extended the reporting deadline as follows:

- 1. Reporting companies that were created or registered prior to January 1, 2024 have until January 13, 2025 to file their initial beneficial ownership information reports with FinCEN. (These companies would otherwise have been required to report by January 1, 2025.)*
- 2. Reporting companies created or registered in the United States on or after September 4, 2024 that had a filing deadline between December 3, 2024 and December 23, 2024 have until January 13, 2025 to file their initial beneficial ownership information reports with FinCEN.*
- 3. Reporting companies created or registered in the United States on or after December 3, 2024 and on or before December 23, 2024 have an additional 21 days from their original filing deadline to file their initial beneficial ownership information reports with FinCEN.*
- 4. Reporting companies that qualify for disaster relief may have extended deadlines that fall beyond January 13, 2025. These companies should abide by whichever deadline falls later.*
- 5. Reporting companies that are created or registered in the United States on or after January 1, 2025 have 30 days to file their initial beneficial ownership information reports with FinCEN after receiving actual or public notice that their creation or registration is effective.*
- 6. As indicated in the alert titled Notice Regarding National Small Business United v. Yellen, No. 5:22-cv-01448 (N.D. Ala.), Plaintiffs in National Small Business United v. Yellen, No. 5:22-cv-01448 (N.D. Ala.) namely, Isaac Winkles, reporting companies for which Isaac Winkles is the beneficial owner or applicant, the National Small Business Association, and members of the National Small Business Association (as of March 1, 2024) are not currently required to report their beneficial ownership information to FinCEN at this time.*

Preliminary Injunction Blocking Enforcement of the Corporate Transparency Act

(12/6/24) We previously discussed a ruling by a federal District Court in Alabama finding that the Corporate Transparency Act (CTA) was unconstitutional, with the holding limited to the plaintiffs in the case. For general background information about the CTAs reporting requirements, please see our previous **Legal Alert**. Most notably, the deadline for entities formed before January 1, 2024 to file beneficial ownership reports with the Financial Crimes Enforcement Network (FinCEN) was December 31, 2024.

On December 3, 2024, a federal District Court in Texas issued a nationwide preliminary injunction temporarily blocking enforcement of the CTA against all entities, regardless of whether they are involved in the case. See *Texas Top Cop Shop v. Garland et al.* (E.D. Tex., No. 4:24-cv-00478).

The preliminary injunction only delays enforcement of the CTA until a court issues a final ruling on the merits of the constitutionality of the CTA or an appeals court overturns the injunction. FinCEN has appealed the injunction to the U.S. Court of Appeals for the Fifth Circuit, but has announced that it will respect the stay of enforcement while its appeal is pending.

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What This Means for Businesses

- As of the date of this Legal Alert, no beneficial ownership reports are obligated to be filed for either existing entities or newly formed entities until further instructed by court order.
- Given the temporary nature of the injunction, entities should be aware that if the injunction is lifted, reporting could be required within a short window of time. Therefore, entities that have not yet filed beneficial ownership reports should remain prepared to do so upon court order lifting the injunction.

PRIOR UPDATES

- Constitutional Challenges to the Corporate Transparency Act (3/7/24)
 - The Corporate Transparency Act: New Reporting Requirements (12/3/23)
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CTA TASK FORCE

Flaster Greenberg will continue monitoring developments regarding the CTA. If you have any questions about the CTA, the injunction, and how they affect you or your organization, please contact your attorney at Flaster Greenberg, one of the members of our firm's CTA Task Force (**Jonathan Ellis, Mariel Giletto, Anthony Gruzdis, Matthew Meltzer, David Neufeld**), or any attorney in the **Business & Corporate Department**, to discuss how we can help determine whether the CTA applies to you or your organization and, if necessary, comply with the CTA.

ATTORNEYS MENTIONED

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