

BOI Reporting Rule is once again effective, as District Court stays nationwide injunction of the CTA

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A U.S. District Court stayed the remaining nationwide injunction against the Corporate Transparency Act, thereby reinstating the reporting requirements under the BOI Reporting Rule. In a recent Notice, FinCEN extended the reporting deadline for most reporting companies to March 21, 2025 and stated that it intends to modify the BOI Reporting Rule to minimize the regulatory burden for reporting companies.

The reporting requirements under the Corporate Transparency Act (CTA) and Beneficial Ownership Information Reporting Rule (BOI Reporting Rule) are back in effect after a U.S. District Court, on February 18, 2025, stayed a nationwide injunction that barred enforcement of the CTA.¹

The Financial Crimes Enforcement Network (FinCEN) issued a [Notice](#) on February 18, 2025 that generally extended the BOI reporting deadline to March 21, 2025 (30 calendar days from February 19, 2025), for most reporting companies, which would include reporting companies created before January 1, 2024.² Perhaps the most notable takeaway in the Notice is FinCEN's commitment to "reducing regulatory burden on businesses, during this 30-day period FinCEN will assess its options to further modify deadlines" and "initiate a process this year to revise the BOI reporting rule to reduce burden for lower-risk entities, including many U.S. small businesses." There is no indication, yet, as to how FinCEN will modify the scope of the BOI Reporting Rule; however the Notice is the most concrete commitment from FinCEN to address some of the concerns expressed about the scope, burden and effectiveness of the Rule.³

We recommend that reporting companies prepare to file BOI reports by the March 21, 2025 reporting deadline and continue to monitor closely for further developments, as FinCEN has expressly committed to providing an update before March 21 of any further deadline modifications.

Finally, reporting companies should also continue to monitor for CTA-related developments in Congress. For example, on February 10, 2025, the House unanimously passed a [bill](#) that would extend the reporting deadline for entities that existed before January 1, 2024 to January 1, 2026. A companion bill has been introduced in the Senate on February 12, 2025, which means there could be a statutory extension of the reporting deadlines for certain reporting companies in the near future.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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- ¹ See *Smith, et al. v. U.S. Department of the Treasury, et al.*, 6:24-cv-00336 (E.D. Tex.).
- ² FinCEN's Notice clarifies that reporting companies that were previously given a reporting deadline later than the March 21, 2025 deadline must file their initial BOI report by the applicable later deadline. For example, if a reporting company's deadline is in April 2025 because it qualifies for certain disaster relief extensions, it should follow the April deadline, not the March deadline.
- ³ For more context on the impact and challenges of the BOI Reporting Rule, Davis Polk AML/CFT practice head, Dan Stipano, authored "Corporate Transparency Act enforcement needs an overhaul" in *American Banker*, which can be found [here](#).