

Insights

FinCEN Announces No Enforcement of March 21, 2025 Deadline to File BOI Report

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The Department of Treasury's Financial Crimes Enforcement Network (commonly known as "FinCEN") announced February 27, 2025 "that it will not issue any fines or penalties or take any other enforcement actions against any companies based on any failure to file or update beneficial ownership information (BOI) reports pursuant to the Corporate Transparency Act (CTA) by the current deadlines." FinCEN also announced it intends to issue an interim final rule that extends the BOI reporting deadlines.

Earlier this month, 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.) granted the Department of Justice's motion to stay an injunction that previously paused the effect of the Corporate Transparency Act ("CTA") on a nationwide basis. In response to the court's order in *Smith*, FinCEN imposed a deadline of March 21, 2025, for all reporting companies to file their initial or updated BOI reports. During this 30-day period from the Court's order, FinCEN has assessed "its options to further modify deadlines, while prioritizing reporting for those entities that pose the most significant national security risks."

FinCEN intends to solicit public comments later this year through a notice of proposed rulemaking process to identify ways to reduce regulatory burdens on small businesses, while still trying to achieve the national security protections that the BOI reporting process aims to achieve. Through this rulemaking process, FinCEN will determine how long to extend the deadline.

In summary, and as of today, the CTA is in effect. The deadline to file an initial or updated BOI report remains March 21, 2025, with the expectation that FinCEN will extend this deadline any day now. Though the deadline stays in effect, FinCEN has announced that it will not issue any fines or penalties or take any other enforcement actions against any companies that do not file a BOI report before the deadline. Companies that want to be done with all the back and forth and have the CTA burden off their to-do list may still file a BOI report with FinCEN.

Krieg DeVault's CTA Working Group continues to monitor and communicate developments based on updates published by FinCEN and the various courts overseeing CTA litigation. For assistance with determining whether the CTA applies to your business and how this latest announcement from FinCEN affects you, or with other questions related to the CTA, please contact Robert A. Greising, Travis D. Lovett, Jacob W. O' Donnell, Thomas M. Abrams,



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