

FinCEN Confirms New CTA Filing Deadline - But Congress Looks to Push Deadlines For Some Reporting Entities to 2026

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On February 18, 2025, in a widely expected decision, the Eastern District of Texas, in the case of *Smith v. United States Dep't of the Treasury*, 2025 WL 41924 (E.D. Tex.), and following the decision of the U.S. Supreme Court on January 23, 2025, granted the U.S. Government's request to stay the nationwide temporary injunction CTA").

In keeping with a prior notification, on February 19, 2025, FinCEN confirmed that it has extended the general reporting deadline for reporting companies to **March 21, 2025**. This means, as of now, for the vast majority of entities formed in the U.S., or registered to do business in the U.S., they must file an initial, updated and/or corrected beneficial ownership report on or before that date, unless they are exempt.

However, some of these new deadlines look unlikely to hold – with apparent unanimous bipartisan support in Congress to extend certain CTA deadlines by several months. On February 10, 2025, the U.S. House of Representatives unanimously passed, by a 408-0 vote, the Protect Small Businesses from Excessive Paperwork Act of 2025, which would extend the initial reporting deadline for reporting companies formed prior to 2024 to not later than **January 1, 2026**. As drafted, this extension does not apply to entities formed on or after January 1, 2024, and it is unclear whether this is intentional, or an oversight.

On February 11, 2025, a companion bill was introduced in the U.S. Senate with almost a dozen co-sponsors. Senator Tim Scott, the lead sponsor, confirmed the bill would “*extend the filing deadline for businesses to report beneficial ownership information (BOI) until January 1, 2026, giving the U.S. Department of Treasury more time to educate business owners on the new reporting requirements, assess Biden administration BOI decisions, and ensure small businesses are not overburdened – and potentially held liable – with unclear and unnecessarily complicated regulations.*” The bill has already been referred to the Senate Banking, Housing, and Urban Affairs Committee (and Senator Scott is the Chairman of that committee).

In its February 19th update on the deadline extension, FinCEN reiterated that it was

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continuing to “*assess its options to further modify deadlines, while prioritizing reporting for those entities that pose the most significant national security risks*”. It also noted that FinCEN “*intends to initiate a process this year to revise the BOI reporting rule to reduce burden for lower-risk entities, including many U.S. small businesses.*” As we previously reported, the precise details of any such modifications remain unclear— particularly what types of entity FinCEN would consider “*lower-risk*” and the reasoning for potentially excluding U.S. small businesses, which are the primary focus of the CTA (as “large operating companies” are exempt from the reporting requirements).

Despite the continued uncertainty, reporting companies should continue to be prepared to file their BOI Reports on or before March 21, 2025, unless the extensions referred to above are passed into law. Importantly, entities formed on or after January 1, 2024 should continue to monitor any updates to these bills – as it is unclear whether the longer extensions, described in the House and Senate bills, are intended to apply to them (and, as drafted, they do not).

We will continue to monitor developments, and will be available to assist in compliance efforts.