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## **Beneficial ownership requirements reinstated - FinCEN deadline extension**

March 07, 2025 - Owners Developers & Managers

On February 17, 2025, the United States District Court for the Eastern District of Texas granted the government's motion to stay a nationwide injunction halting enforcement of the Corporate Transparency Act in *Smith v. United States Department of Treasury*. The Court cited the Supreme Court of the United States' decision to stay the preliminary nationwide injunction in the *Texas Top Cop Shop, Inc.*, matter as precedent for their decision.

This was the last remaining nationwide order pausing beneficial ownership reporting requirements. Due to this new court order, reporting requirements under the act are reinstated for applicable community associations.

On February 19, 2025, FinCEN issued guidance noting that the Department of the Treasury recognizes that reporting companies may need additional time to comply with their BOI reporting obligations, and FinCEN is generally extending the deadline 30 calendar days from February 19th.

According to FinCEN, for the vast majority of reporting companies, the new deadline to file an initial, updated, and/or corrected BOI report is now March 21, 2025. FinCEN will provide an update before then of any further modification of this deadline, recognizing that reporting companies may need additional time to comply with their BOI reporting obligations once this update is provided.

CAI continues to track movements in the federal courts over challenges regarding the Corporate Transparency Act (CTA) and has contacted the United States Department of Treasury, urging an administrative delay be issued due to the chaos and confusion created by these recent court rulings and Congress' deciding not to take legislative action to extend the filing deadline.

### CAI'S Federal Lawsuit Status

On October 24, 2024, CAI's preliminary injunction request was DENIED by the federal judge in this case. While this decision was not the outcome CAI had hoped for, it does not mark the end of CAI's efforts. CAI appealed the court's denial of the preliminary injunction request on November 4, 2024, and on November 12, 2024, filed its opening brief of the appeal in the Fourth Circuit urging a pause on reporting requirements for community associations while this lawsuit is adjudicated. The Government filed its response to CAI's appeal on February 7, 2025. CAI had until February 28, 2025 to reply.

CAI's other lobbying and advocacy efforts continue on Capitol Hill seeking both a one-year delay of

implementation of the CTA's reporting requirements and an exemption for community associations. The lawsuit itself is continuing to go through the legal process even as the preliminary injunction decision is being appealed.?

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