

## Anti-Money Laundering

February 20, 2025

### **Back to the Future: Compliance with the CTA is Compulsory Once Again**

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Regular readers of our prior client alerts know that compliance with the Corporate Transparency Act's (CTA) beneficial ownership requirements has been on-again-off-again multiple times over the last few months following various court rulings, injunctions, stays, and appeals addressing the constitutionality of the CTA.<sup>1</sup>

Following the February 18 decision by the U.S. District Court for the Eastern District of Texas in *Smith v. U.S. Dep't of Treasury* to stay a nation-wide injunction it previously entered pending an appeal to the Fifth Circuit,<sup>2</sup> compliance with the CTA's beneficial ownership information reporting requirements is—once again—compulsory.

The Department of the Treasury's Financial Crimes Enforcement Network (FinCEN), which is tasked with enforcing the CTA, subsequently announced that it has extended the beneficial ownership information reporting requirement deadlines for most companies to **March 21, 2025**.<sup>3</sup> In the same announcement, FinCEN previewed that it "intends to initiate a process this year to revise the beneficial ownership information reporting rule to reduce [the] burden for lower-risk entities, including many U.S. small businesses."<sup>4</sup>

For more information on the CTA, FinCEN's requirements, and CTA compliance, please contact the authors of this article, your primary Lowenstein contact, or [LSAMLCTA@lowenstein.com](mailto:LSAMLCTA@lowenstein.com).

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<sup>1</sup> See, e.g., "Déjà Vu All Over Again: Fifth Circuit Vacates Its Own Stay; CTA Compliance Is Now Optional Once Again (for Now)," Dec. 27, 2024, [available here](#); "Lump of Coal in the CTA Stocking: Texas Federal Court of Appeals Stays Injunction Against Corporate Transparency Act," Dec. 24, 2024, [available here](#); and "Texas Federal District Court Rules Corporate Transparency Act Likely Unconstitutional, Issues Nationwide Preliminary Injunction," Dec. 4, 2024; [available here](#).

<sup>2</sup> *Smith v. U.S. Dep't of Treasury*, 6:24-cv-00336 (E.D. Tex. Feb. 18, 2025).

<sup>3</sup> FinCEN Notice, FIN-2025-CTA1, "FinCEN Extends Beneficial Ownership Information Reporting Deadline by 30 Days; Announces Intention to Revise Reporting Rule," Feb. 18, 2025, [available here](#).

<sup>4</sup> *Id.*

# Contacts

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