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Corporate Transparency Act (CTA) Update: February 2025

John Schuman: Partner, Head of Wealth Transfer

The legal twists and turns surrounding the Corporate Transparency Act (CTA) continue, and business owners now face an important new development.

On February 18, 2025, the U.S. District Court for the Eastern District of Texas overturned its previous decision that had paused CTA reporting requirements. As a result, the beneficial ownership information (BOI) reporting requirements under the CTA are back in effect.

What does this mean for business owners?

- Filing is once again required. Companies that fall under the CTA must file their beneficial ownership information with FinCEN.
- The new filing deadline is March 21, 2025. FinCEN has acknowledged that some companies may need more time, but no formal extensions have been announced—so it's best not to wait.
- Filing is free and can be done directly through FinCEN's E-Filing system.

Please visit https://www.fincen.gov/boi for more details and further updates.

What about the constitutional challenges?

It's important to note that this court decision is not a final ruling on the CTA's constitutionality. Several cases questioning the law's legality are still working their way through the federal courts and may eventually reach the Supreme Court. However, any final decision on its constitutionality is likely to be well after the March 21 filing deadline.

For now, the CTA is in effect, and failure to comply could result in significant penalties.

We strongly recommend that you consult with your Corient wealth advisor and your legal counsel to understand your filing obligations and how this change could impact your business.

We'll continue to monitor this evolving situation and provide updates as more information becomes available.

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