

## Texas Court Recognizes Supreme Court Ruling, Reinstates BOI Filing Requirement

by Mark R. High, Jon D. Cohen, and Daniel A. Cotter

The Corporate Transparency Act (CTA or the Act) is back in play. In an Order released on Feb. 17, 2025, a federal district court in the Eastern District of Texas stayed its Order from Jan. 7, 2025, which had enjoined enforcement of the Act. *Smith v. U.S. Dept. of the Treasury*, Case No. 6:24-cv-00336 (E.D. Tex. Feb. 17, 2025). The *Smith* court determined that the order issued by the U.S. Supreme Court in *McHenry v. Texas Top Cop Shop, Inc.*, Case No. 24A653 (U.S. S. Ct. Jan. 23, 2024) (Court Order Reinstating Stay), served to invalidate the Jan. 7 order. Pursuant to an Alert issued on Feb. 18, 2025, by FinCEN, most Reporting Companies have until March 21, 2025, to file any initial, updated, or corrected Beneficial Ownership Reports required under the Act.

We have followed these developments for over two years, releasing [our first](#) Client Alert on this topic in July 2023. Since then, we have issued almost a dozen Client Alerts, with our most recent one [here](#). We refer you to those, available at the Dickinson Wright website, for a more complete review of the reasoning behind the Act and the machinations regarding its enforcement.

Boiled down to its essence, two Federal District Courts had preliminarily enjoined enforcement of the CTA filing requirements while the cases challenging the CTA's validity were decided. In the *Texas Top Cop* case, the Supreme Court lifted the injunction in January, as cited above. Now, the District Court in the *Smith* case has stayed its preliminary injunction, recognizing that the *Texas Top Cop* ruling should also apply in *Smith*.

As indicated above, FinCEN quickly issued its own Alert on its [BOI website](#), confirming that the BOI reporting requirements are back in effect. In light of the extended period when enforcement was enjoined, FinCEN set a new filing deadline date of March 21, 2025. Interestingly, FinCEN said it would "assess its options to further modify deadlines" over the next 30 days and would prioritize reporting for entities that it determines "pose the most significant national security risks." FinCEN went on to report that it "intends to initiate a process this year to revise the BOI reporting rule to reduce [the] burden for lower-risk entities, including many U.S. small businesses."

Bottom line is that most Reporting Companies which faced a filing deadline of Dec. 31, 2024, are now required to make their filings on or before Mar. 21, 2025. Companies that have already made BOI filings under the CTA are fine for now. However, they must still make any updated or corrective filings required under the Act by the later of 30 days after the event requiring the updating filing or Mar. 21, 2025. Similarly, newly formed entities created on or after Jan. 1, 2025, have until the later of 30 days after formation or March 21, 2025, to submit their initial BOI reports. Any entities formed in the last 10 days of

2024 would still have 90 days from formation to make their filings, but companies formed before that point would need to meet the filing deadline on March 21, 2025.

We don't expect this Client Alert to be the last word on this topic. First, FinCEN is undertaking the studies above. Second, the Act is still subject to attack in *Texas Top Cop*, *Smith*, and almost a dozen other cases around the country. Finally, bills have been introduced in the new Congress to either extend the initial reporting deadline to Jan. 1, 2026 or repeal the Act entirely. The interplay of these three possibilities should keep us on our toes for at least the rest of 2025.

We will continue to monitor this ongoing saga. Certainly, companies that have put this issue on the back burner should quickly determine if they have reporting requirements or may be subject to one of the filing exemptions. If a filing is required, companies should move forward quickly to meet the current March 21 deadline. Companies that have already filed should restart their internal monitoring processes to watch for events that may trigger updating requirements. We remain available to assist our clients in discussing these events and determining how best to move forward.

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