

# Important Announcement for Our Business Owner Clients

## Federal Court Reinstates BOI Reporting Requirements

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On February 18, 2025, the U.S. District Court for the Eastern District of Texas lifted a previously issued injunction that had suspended reporting requirements under the Corporate Transparency Act (CTA). As a result, entities required to file a Beneficial Ownership Information (BOI) Report must now submit their reports by March 21, 2025.

### BACKGROUND

The Corporate Transparency Act (CTA) was enacted in 2021 and took effect on January 1, 2024. It requires certain businesses—primarily small and medium-sized entities that are not subject to other regulatory oversight or have fewer than 21 employees and less than \$5 million in annual revenue—to **file a Beneficial Ownership Information Report (BOIR) with the Financial Crimes Enforcement Network (FinCEN)**. The BOIR includes details about the reporting entity as well as personal information on individuals with substantial control over the business.



### ORIGINAL REPORTING DEADLINES:

- Businesses created before January 1, 2024 – Required to file by January 1, 2025
- Businesses created in 2024 – Required to file within 90 days of receiving creation notice
- Businesses created after January 1, 2025 – Required to file within 30 days of creation

## LEGAL DEVELOPMENTS:

- March 1, 2024: A federal judge in the U.S. District Court for the Northern District of Alabama ruled in *National Small Business United v. Yellen* that the CTA was unconstitutional. However, this ruling applied only to the plaintiffs in that case, and the CTA remains in effect nationwide.

The case is currently under appeal, and other court rulings have upheld the law's constitutionality.

- February 18, 2025: In *Smith, et al. v. U.S. Department of the Treasury, et al.*, the U.S. District Court for the Eastern District of Texas lifted its prior injunction, reinstating the BOI reporting requirement and setting a new deadline of March 21, 2025.

## IMPORTANT ACTION REQUIRED

If you are a business owner and have not yet filed your BOIR, you must do so by March 21, 2025 to remain compliant with federal regulations.

Failure to file the report may result in significant penalties, so we strongly encourage you to take action as soon as possible. If you are unsure whether this requirement applies to your business, consult your legal counsel or CPA for guidance. File your report here: **[FinCEN BOI Filing Portal](#)**

## DON'T HESITATE SEEKING PROFESSIONAL ADVICE

For strategies and resources that may help you and your business, please reach out to the financial professionals at **[Winthrop Wealth](#)**. Our mission is to help our people, our clients, and our community live life to the fullest. Navigating the financial landscape can be complex, and we'd be honored to act as your sounding board as you consider your next steps. We're here to help.

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## DISCLOSURES

Content in this material is for general information only and not intended to provide specific advice or recommendations for any individual.

This information is not intended to be a substitute for individualized legal advice. We suggest that you discuss your specific situation with a qualified attorney.