



BOLAND LAW GROUP, PLLC

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Corporate Transparency Act Enforcement Injunction Lifted

On December 23, 2024, the Fifth Circuit Court of Appeals lifted the nationwide preliminary injunction against enforcement of the Corporate Transparency Act (CTA) in the case *Texas Top Cop Shop, Inc., et al. v. Garland, et al.*, No. 4:24-cv-00478 (E.D. Tex.). This decision effectively reinstates the CTA's reporting requirements.

Following the court's decision, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued an alert on December 23, 2024, extending several CTA reporting deadlines.

Beneficial Ownership Information Reporting Requirements Now in Effect, with Deadline Extensions

FinCEN also posted a statement to its website. ([Link Here](#)) In light of a December 23, 2024, federal Court of Appeals decision, reporting companies, except as indicated, are once again required to file beneficial ownership information with FinCEN. However, because the Department of the Treasury recognizes that reporting companies may need additional time to comply given the period when the preliminary injunction had been in effect.



Urgent Notice for Business Owners

Corporate Transparency Act (CTA) BOIR Reporting Requirements – January 13, 2025 Deadline

The clock is ticking for business owners across the U.S. as the January 13, 2025 deadline for compliance with the Corporate Transparency Act (CTA) is quickly approaching. This new federal requirement has introduced significant reporting obligations through the Beneficial Ownership Information Reporting (BOIR) system, impacting millions of businesses. With only a short time remaining, it's crucial for business owners to understand the reporting requirements to avoid steep penalties and ensure compliance.

What is the Corporate Transparency Act (CTA)?

The CTA, enacted by Congress in 2020 as part of the Anti-Money Laundering Act, aims to combat illicit financial activities such as money laundering and terrorist financing. It requires most corporations, limited liability companies (LLCs), and similar entities to disclose beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN). The purpose is to increase transparency regarding who actually owns and controls these entities, making it more difficult for bad actors to exploit anonymous companies for illegal purposes.

Who Needs to Report?

ALMOST EVERYONE!

Any and all U.S.-based businesses will be required to report under the CTA unless they fall under one of the specific exemptions. The most common entities subject to BOIR reporting are:

- Corporations
- LLCs
- Limited Partnerships
- Other similar entities created by filing with a state or tribal authority

However, certain entities are exempt from this requirement, including *certain large operating companies (those with 20+ full-time employees, over \$5 million in gross revenue in prior tax-reporting years, as well as an established operating presence in the U.S.), regulated financial institutions, tax-exempt entities, and inactive entities that meet specific criteria.



What Information Needs to Be Reported?

Entities subject to the CTA must provide detailed information about their "beneficial owners," which includes individuals who directly or indirectly own or control at least 25% of the entity, or who exercise substantial control over the business. The required information includes:

- Full legal name
- Date of birth
- Current residential or business address
- A unique identifying number from a passport, driver's license, or other government-issued ID

This data must be submitted to FinCEN's Beneficial Ownership Information (BOI) reporting system. It's important to note that any changes to beneficial ownership information must also be reported within 30 days of the change.

Penalties for Non-Compliance

Failure to comply with the CTA reporting requirements can lead to severe consequences. Business owners who do not meet the January 13, 2025 deadline risk facing civil penalties per day for each day the violation continues.

A person who *willfully* violates beneficial ownership reporting requirements may be subject to civil penalties of up to \$591 for each day that the violation continues, as well as criminal penalties of up to two years imprisonment and a fine of up to \$10,000. Potential violations include willfully failing to file a beneficial ownership information report, willfully filing false beneficial ownership information, or willfully failing to correct or update previously reported beneficial ownership information.

Given the complexity of these rules, business owners are encouraged to act swiftly to understand their obligations under the CTA and ensure timely compliance.

Steps Business Owners Should Take Now

With just days remaining until the January 1st deadline, here are the essential steps business owners should take to ensure compliance:

1. **Determine if Your Business is Subject to BOIR Requirements**
Review the exemptions and confirm whether your business must report under the CTA. Most small businesses, startups, and LLCs will likely need to comply.



2. Identify Beneficial Owners

Determine who qualifies as a beneficial owner within your company. This includes anyone with a 25% ownership interest or who exercises substantial control over the entity.

3. Collect Required Information

Gather the necessary details for each beneficial owner, including name, date of birth, address, and an identifying number from a government-issued document.

4. Prepare for BOIR Submission

Familiarize yourself with FinCEN's BOIR system and prepare to submit the required information before the deadline.

5. Consult Legal or Compliance Professionals

Due to the complexity of the CTA, it's advisable to consult with legal or compliance experts to ensure you understand your business's reporting obligations and avoid penalties.

What are the filing deadlines?

- Reporting companies that were created or registered prior to **January 1, 2024** have until January 13, 2025 to file their initial beneficial ownership information reports with FinCEN. (These companies would otherwise have been required to report by January 1, 2025.)
- Reporting companies created or registered in the United States on or after September 4, 2024 that had a filing deadline between December 3, 2024 and December 23, 2024 have until **January 13, 2025** to file their initial beneficial ownership information reports with FinCEN.
- Reporting companies created or registered in the United States on or after December 3, 2024 and on or before December 23, 2024 have an **additional 21 days** from their original filing deadline to file their initial beneficial ownership information reports with FinCEN.
- Reporting companies that qualify for **disaster relief may have extended deadlines** that fall beyond January 13, 2025. These companies should abide by whichever deadline falls later.
- Reporting companies that are created or registered in the United States on or after January 1, 2025 have **30 days** to file their initial beneficial ownership information reports with FinCEN after receiving actual or public notice that their creation or registration is effective.



- Any **updates or corrections** to beneficial ownership information previously filed with FinCEN must be submitted within 30 days.

Filing and Compliance Responsibilities

Due to the high volume of demand and the limited resources and size of our firm, Boland Law Group, PLLC, is unable to file or assist with any reporting or compliance requirements. It is the sole responsibility of the individual or entity to ensure that all necessary filings and reporting obligations are completed accurately and submitted in a timely manner, as required by law.

We wish to emphasize that there are professionals and businesses specifically dedicated to providing filing and compliance services. Should you require assistance in these areas, we strongly recommend seeking support from qualified legal, accounting, or compliance professionals or firms that specialize in such services.

We bear no responsibility or liability for any filing or compliance-related matters. This includes, but is not limited to, missed deadlines, inaccuracies in filings, penalties, or other consequences resulting from non-compliance.

Furthermore, Boland Law Group, PLLC does not undertake any obligation to monitor, notify, or provide updates regarding changes in laws, regulations, or compliance requirements that may impact your responsibilities. It remains your responsibility to stay informed of any such changes and to take appropriate actions to meet your legal obligations.

Please note that no professional relationship is established or maintained without a signed written engagement letter.

Final Reminder

The **January 13, 2025** deadline is fast approaching, and the consequences for missing it are significant. Whether your business is a corporation, LLC, or another entity, it is vital to assess your CTA reporting obligations immediately. Early preparation will not only help you avoid penalties but also allow you to focus on your business operations without last-minute compliance issues.

For more information, please consult with a trusted filing company, schedule a consultation with your advisors, and/or visit FinCEN's official website prior to the deadline.

More Information?

[Visit Our Website for More Information](#)



<https://bolandlawgroup.com/boi-beneficial-ownership-reporting-outreach-and-education-toolkit/>

<https://fincen.gov/boi>

<https://www.youtube.com/@fincentreasury>

<https://boiefiling.fincen.gov/>

[Video: Five-Minute Demo: How to File a Beneficial Ownership Information \(BOI\) Report](#)

[Video: FinCEN Info Session: How to Comply with New Beneficial Ownership Reporting Requirements](#)

[Brochure: An Introduction to Beneficial Ownership Information Reporting](#)

- [For other languages](#)

[Video: Remarks by Secretary of the Treasury Janet L. Yellen at the Financial Crimes Enforcement Network](#)

[Small Entity Compliance Guide](#)

Answers to [Frequently Asked Questions](#)

- [For other languages](#)

Social media channels:

- Facebook: <https://www.facebook.com/fincentreasury>
- LinkedIn: <https://www.linkedin.com/company/fincen>
- X (Twitter): <https://twitter.com/FinCENnews>
- YouTube: <https://www.youtube.com/@fincentreasury>

FinCEN Updates: [Sign up for beneficial ownership updates.](#)

Contact FinCEN: Questions can be submitted to [FinCEN's Contact Center.](#)