

# BUSINESS AND TRANSACTIONS

## INFORMATION MEMO

DECEMBER 24, 2024

### **Corporate Transparency Act Filing Requirements Reinstated: U.S. Court of Appeals (5th Circuit) Stays Nationwide Preliminary Injunction that had Suspended Reporting Obligations Under the Corporate Transparency Act**

On Dec. 23, 2024, the U.S. Court of Appeals for the Fifth Circuit stayed the nationwide preliminary injunction that had previously been issued temporarily suspending the enforcement of the Corporate Transparency Act (CTA), which means that:

- all reporting entities are again required to comply with the CTA, including the Jan. 1, 2025 deadline for any pre-2024 reporting companies (subject to certain filing deadline extensions as noted below);
- the Treasury Department's Financial Crimes Enforcement Network (FinCEN) will resume enforcing the CTA and its beneficial ownership information (BOI) reporting requirements; and
- reporting companies that have already filed their BOI reports must update their reports no later than thirty (30) days after any change to the information reported.

On Dec. 3, 2024, the U.S. District Court for the Eastern District of Texas issued an Order in the case of *Texas Top Cop Shop, Inc., et al. v. Garland, et al.*, No. 4:24-cv-00478 (E.D. Tex.) granting a nationwide preliminary injunction temporarily suspending the enforcement of the CTA. On Dec. 5, 2024, the Department of Justice filed emergency motions with the U.S. Court of Appeals for the Fifth Circuit requesting a stay pending appeal of the lower court's order that enjoined enforcement of the CTA. Although the Fifth Circuit Court of Appeals lifted the District Court's injunction, it is possible that the plaintiffs in this case may seek review of the decision by the full panel of judges of the Fifth Circuit Court of Appeals or further appeal the decision to the Supreme Court of the United States. Unless and until that happens, all reporting entities are again required to resume compliance with the CTA.

FinCEN has since issued a release providing the following guidance regarding the U.S. Court of Appeal's ruling, which states:

In light of a Dec. 23, 2024, federal Court of Appeals decision, ***reporting companies, except as indicated below, 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, we have extended the reporting deadline as follows:

- Reporting companies that were created or registered prior to January 1, 2024 have until Jan. 13, 2025 to file their initial beneficial ownership information reports with FinCEN. (These companies would otherwise have been required to report by Jan. 1, 2025.)
- Reporting companies created or registered in the United States on or after Sept. 4, 2024 that had a filing deadline between Dec. 3, 2024 and Dec. 23, 2024 have until Jan. 13, 2025 to file their initial beneficial ownership information reports with FinCEN.
- Reporting companies created or registered in the United States on or after Dec. 3, 2024 and on or before Dec. 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 Jan. 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 Jan. 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.
- As indicated in the alert titled “[Notice Regarding National Small Business United v. Yellen, No. 5:22-cv-01448 \(N.D. Ala.\)](#)”, Plaintiffs in *National Small Business United v. Yellen, No. 5:22-cv-01448 (N.D. Ala.)*—namely, Isaac Winkles, reporting companies for which Isaac Winkles is the beneficial owner or applicant, the National Small Business Association, and members of the National Small Business Association (as of March 1, 2024)—are not currently required to report their beneficial ownership information to FinCEN at this time.

There may be an overwhelming number of filings in the days leading up to the extended deadline, so reporting companies should file their BOI reports as soon as possible to avoid any delays.

Reporting companies may stay informed about future developments in this case by regularly visiting FinCEN’s website at <https://fincen.gov/boi>.

We encourage you to contact an attorney in Bond’s [business and transactions practice](#) or the Bond attorney with whom you are regularly in contact to determine how this ruling impacts your business.

