

Corporate Transparency Act – Fifth Circuit Lifts Preliminary Injunction – FinCEN Extends Deadline to January 13, 2025

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Client Alert

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On Monday, December 23, 2024, a three-judge panel for the Fifth United States Circuit Court of Appeals lifted the preliminary injunction issued earlier this month, which paused enforcement of the Corporate Transparency Act (“CTA”) nationwide. The Fifth Circuit did not impose a new filing deadline to submit BOI reports, effectively reinstating the previous January 1, 2025, Beneficial Ownership Information (“BOI”) reporting deadline. However, FinCEN voluntarily extended the deadline an additional two weeks until January 13, 2025, for most covered reporting companies.

As we have previously reported, the CTA requires reporting companies to submit BOI reports to the United States Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”) before January 1, 2025, deadline. However, on December 3, 2023, the U.S. District Court for the Eastern District of Texas issued a preliminary injunction in *Texas Top Cop Shop, Inc., et al. v. Garland, et al.*, Case No. 4:24-cv-478 (E.D. Tex.), which paused CTA enforcement requirements. The Court’s decision this Monday reverses that decision. It is still unclear what additional judicial or executive actions may be taken in the new year—particularly, given the impending changes in government.

FinCEN has issued an alert on its official government website¹ stating that reporting companies are once again required to file beneficial ownership information, subject to listed exceptions. However, they have granted the grace period until January 13, 2025, as noted above. For the latest updates on the CTA, please contact your White and Williams LLP attorney or the authors: Christopher F. Graham, Partner, 212.714.3066, grahamc@whiteandwilliams.com; Morgan A. Goldstein, Associate, 475.977.8302, goldsteina@whiteandwilliams.com; Sofia Villalobos Vega, Associate, 215.864.6390, vegas@whiteandwilliams.com.

¹ <https://fincen.gov/boi>

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