

CORPORATE TRANSPARENCY ACT BACK IN EFFECT (FOR NOW)

December 23, 2024

A motions panel of the 5th U.S. Circuit Court of Appeals issued a stay of a nationwide injunction that would have prevented the Treasury Department from enforcing the Corporate Transparency Act (CTA). As a result, the CTA will be enforceable during its appeal of the injunction.

On Dec. 3, the U.S. District Court for the Eastern District of Texas issued a preliminary injunction on the enforcement of the CTA under *Texas Top Cop Shop Inc., et al. v. Garland, et al.*, No. 4:24-cv-00478 (E.D. Tex.).

Today, Dec. 23, the 5th Circuit ([in case No. 24-40792](#)) stayed the trial court's injunction, thus allowing the federal government to enforce the CTA while the trial court's decision is on appeal.

Effective immediately, reporting obligations are back in effect, including the initial disclosure deadline. The Financial Crimes Enforcement Network (FinCEN), the arm of the Treasury Department charged with enforcing the CTA, has given short extensions to comply with the CTA as follows:

- Reporting companies created or registered before Jan. 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 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.

Additionally, the 5th Circuit has asked for this appeal to be expedited to the next available oral argument panel. The panel that decides the merits of the case likely will be different from the motions panel that granted the stay. As a result, the opinion granting the stay might not provide much guidance on the ultimate outcome of the appeal.

Bell Nunnally will continue to track this matter closely and provide updates.

For assistance meeting the reporting deadline, please contact any of our attorneys in our Corporate and Securities practice group.

Related Practices

Corporate and Securities

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