



CRITICAL UPDATE: Fifth Circuit Suspends Effectiveness of Nationwide Injunction of Corporate Transparency Act; Treasury Department Extends Certain Filing Deadlines

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NOTICE: this Client Alert has been updated and is no longer the most current information. Please see the updated Client Alert [here](#).

The U.S. Court of Appeals, Fifth Circuit has granted a temporary stay of the nationwide injunction which prevented the enforcement of the Corporate Transparency Act (“CTA”). With this ruling, millions of companies are again required to make beneficial ownership report filings. After considering the length of time the injunction was in effect, the Treasury Department has granted additional time beyond January 1, 2025, for some companies to file the required reports as detailed below. The CTA is a federal law enacted to enhance corporate transparency by requiring certain companies to disclose beneficial ownership information to the Financial Crimes Enforcement Network (“FinCEN”). It aims to facilitate greater transparency regarding the individuals who ultimately own or control companies operating in the United States and would require the tens of millions of domestic business entities and foreign companies doing business here to report information on their beneficial owners to FinCEN.

On December 3, 2024, in *Texas Top Cop Shop, Inc. v. Garland*, a U.S. District Court in Texas issued an injunction temporarily prohibiting enforcement of the CTA. On December 23, 2024, at the request of the U.S. Treasury Department, the Fifth Circuit issued a stay against that injunction, stating that “when balancing the public’s urgent interest in combating financial crime and protecting our country’s national security, equity favors a stay.”

Because the Treasury Department recognizes that reporting companies may need additional time to comply given the period when the preliminary injunction was in effect, it has extended reporting deadlines as follows:

- 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. (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.
- 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.
- 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.
- Plaintiffs in *National Small Business United v. Yellen*, No. 5:22-cv-01448 (N.D. Ala) are not required to report their beneficial ownership information pending resolution of that litigation.

An appeal of the *Texas Top Cop Shop* case has been expedited for January 2025, and other litigation and appeals continue. The ultimate fate of the CTA remains unsettled.

Additional Information

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