

ALERTS

Corporate Transparency Act Update: Preliminary Injunction Reinstated and Reporting Voluntary Once Again

December 31, 2024

On Dec. 26, 2024, the US Court of Appeals for the Fifth Circuit reinstated the nationwide preliminary injunction that enjoins enforcement of the Corporate Transparency Act (“CTA”) and its implementing regulation (31 C.F.R. §1010.380), including the filing deadlines thereunder.[1] The Fifth Circuit’s Dec. 26 order by the panel which will hear the pending appeal vacates an earlier order of a motion’s panel of the Fifth Circuit that had stayed the nationwide preliminary injunction pending the government’s appeal on the merits. The panel left in place an order expediting the appeal; oral argument on the merits of the government’s appeal is scheduled for March 25, 2025.

On Dec. 27, 2024, the US Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”) issued a statement advising that “as of December 26, 2024, the injunction issued by the district court in *Texas Top Cop Shop, Inc. v. Garland* is in effect and reporting companies are not currently required to file beneficial ownership information with FinCEN.” The statement also advised that “reporting companies may continue to voluntarily submit beneficial ownership information reports” but “are not subject to liability if they fail to do so while the [nationwide preliminary injunction] remains in force.”

At this time, all beneficial ownership interest report (“BOI Report”) filings for both existing entities and newly formed/registered entities are voluntary. No BOI Reports are due on Jan. 1, 2025, or Jan. 13, 2025, which were prior BOI Report filing deadlines issued by FinCEN. Clients who defer

filing BOI Reports should nonetheless continue to prepare for anticipated BOI Report filings in the event the nationwide preliminary injunction is vacated or modified. We will continue to monitor for developments related to this case, including whether the nationwide preliminary injunction gets vacated or modified and whether the Justice Department, the Treasury Department or FinCEN issues any additional guidance in order to assist clients in navigating any obligations under the CTA.

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For assistance in navigating the CTA's reporting requirements, please contact one of the authors or your attorney at Schulte Roth & Zabel.

[1] For more information on the nationwide preliminary injunction, please see our prior *Alerts*: "Important Update - Corporate Transparency Act: Reporting Reinstated by Appellate Court and FinCEN Extends Deadline to Jan. 13," available [here](#); "Corporate Transparency Act Update: Government Challenges Nationwide Preliminary Injunction & FinCEN Clarifies That Reports Are Voluntary," available [here](#); and "Corporate Transparency Act Update: Nationwide Preliminary Injunction Enjoining Enforcement," available [here](#).

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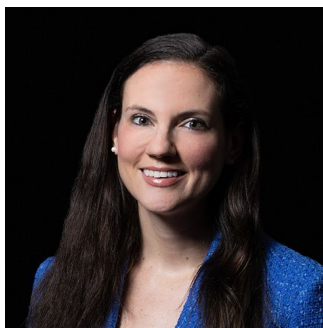
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