

## Corporate Transparency Act Update – Preliminary Injunction Reinstated by Fifth Circuit on December 26, 2024

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On December 23, 2024, a three-judge panel of the U.S. Court of Appeals for the Fifth Circuit reversed a Texas district court order that had granted a preliminary injunction of the Beneficial Ownership Information (BOI) Reporting as well as the enforcement of the Corporate Transparency Act (CTA). The Court's reversal lifted the injunction against the enforcement of the CTA and the BOIR filing requirements. Later that day, the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN) issued an alert which extended the BOI report filing deadlines for non-exempt companies registered before January 1, 2024, to January 13, 2025, from the previous deadline of January 1, 2025.

On December 26, 2024, the full panel of the U.S. Court of Appeals for the Fifth Circuit Court reversed the reversal entered by the three-judge panel and again effectuated the nationwide preliminary injunction. As such, both the CTA and its BOI report filing requirements are again stayed. Of course, you can still file your BOI report through FinCEN but you are not required at the present time.

There will be more updates in this matter as the case in issue, *Texas Top Cop Shop, Inc., et al. v. Garland, et al.*, is on an expedited appeal. We will update you as this case progresses.

### Attorneys

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### Practice Areas

Corporate Services

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Note: State Corporate Transparency Act reporting requirements are not affected by this preliminary injunction. Presently New York, Massachusetts and the District of Columbia have enacted or proposed similar state regulations aimed at increasing the transparency of beneficial ownership. Similar proposed regulations in California and Maryland failed to pass. If your company is registered in these states, please contact us to determine if your company has state reporting requirements.