

Corporate Transparency Act Update: Enforcement of Corporate Transparency Act Resumes After Court Stays Preliminary Injunction

Description

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On December 23, 2024, the 5th U.S. Circuit Court of Appeals granted a stay of the nationwide preliminary injunction granted earlier this month blocking the enforcement of the Corporate Transparency Act (the “CTA”). As a result, reporting companies’ beneficial ownership reporting obligations are once again enforceable. As of now, FinCEN has published the following extensions to the beneficial ownership information (“BOI”) report filing deadlines:

1. Reporting entities formed prior to January 1, 2024 now have an extended filing deadline of January 13, 2025;
2. Reporting entities formed on or after September 4, 2024 that would have had a BOI reporting deadline between December 3, 2024 and December 23, 2024 (i.e., while the injunction was in effect) have also been given an extended filing deadline of January 13, 2025; and
3. Reporting entities formed between December 3, 2024 and December 23, 2024 have been given an extra 21 days to file their BOI reports (i.e., within 111 days of the date of formation).

This decision will likely be appealed, and it is possible that the grant of this stay could be reversed or that there will be additional action by the courts, Congress, or FinCEN. In the meantime, reporting companies should continue to evaluate the applicability of the CTA to their business, and, if not exempt from reporting, gather all necessary beneficial ownership information and file a BOI report prior to the applicable deadline.

Partridge Snow & Hahn’s Corporate & Business attorneys can help to answer any questions you may have about the matters above or the CTA generally. Connect with [Lawrence Sheh](#), [Brian Reilly](#), or Madeline Ursini to learn more.

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