

Corporate Transparency Act Update: Texas Federal Court Injunction Temporarily Halts Enforcement of CTA

Description

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On December 3, 2024, the U.S. District Court for the Eastern District of Texas issued a nationwide preliminary injunction *temporarily* blocking enforcement of the Corporate Transparency Act (the “CTA”). This ruling halts the CTA’s requirements for United States “reporting companies” to disclose information about their beneficial owners to the Treasury Department’s Financial Crimes Enforcement Network by January 1, 2025.

The Court’s order states that the CTA may not be enforced and that reporting companies need not comply with the upcoming January 1, 2025 deadline for filing beneficial ownership information (“BOI”) reports. This order is likely to be appealed and could be reversed. Although it is unlikely that any reversal of the preliminary injunction will occur prior to January 1, 2025, reporting companies should continue to evaluate the applicability of the CTA to their business and, if not exempt from reporting, gather the necessary beneficial ownership information to be prepared to promptly file a BOI report if the injunction is lifted.

[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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