

ISSUE ALERTS

CORPORATE TRANSPARENCY ACT COMPLIANCE ONCE AGAIN TEMPORARILY SUSPENDED NATIONWIDE

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Once again, reporting companies are temporarily relieved from complying with the Corporate Transparency Act's ("CTA") requirement to report beneficial ownership information ("BOI") to the Financial Crimes Enforcement Network ("FinCEN").

On Dec. 26, 2024, a different panel of the United States Court of Appeals for the Fifth Circuit, in *Texas Top Cop Shop, Inc. v. Merrick Garland, Attorney General of the United States* (Case No. 4:24-cv-478, E.D. Tex.), vacated the part of the court's Dec. 23 order that had reinstated CTA filing obligations and for which FinCEN subsequently established an extended deadline of Jan. 13, 2025.

As a result, the nationwide temporary injunction previously granted by the U.S. District Court for the Eastern District of Texas has been reinstated, and reporting companies are not currently required to comply with the CTA's reporting obligations or deadlines. This temporary injunction will remain in place while the Court prepares to hear expedited oral arguments on the merits of the case.

While the CTA's future continues to face legal uncertainty, the rapid developments of recent weeks emphasize the importance for reporting companies to be prepared to file their BOI reports on short notice.

FOR MORE INFORMATION

If you have questions or want more information regarding the nationwide temporary injunction and its possible effects on your business entity, contact your legal counsel. If you do not have regular counsel for such matters, Foulston Siefkin LLP would welcome the opportunity to work with you to meet your specific needs. For more information, contact Bill Matthews at 316.291.9556 or bmatthews@foulston.com. For more information on the firm, please visit our website at www.foulston.com.

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