

REPORTING COMPANIES MUST FILE BENEFICIAL OWNERSHIP INFORMATION BY JAN. 13, 2025, AFTER FIFTH CIRCUIT GRANTS STAY OF NATIONWIDE INJUNCTION OF CORPORATE TRANSPARENCY ACT

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A recent ruling by the United States Court of Appeals for the Fifth Circuit has reinstated the Corporate Transparency Act's ("CTA") beneficial ownership information ("BOI") reporting obligations, although the filing deadline for many reporting companies has been extended to Jan. 13, 2025.

On Dec. 23, 2024, the Fifth Circuit granted the federal government's emergency motion to stay a preliminary injunction that had temporarily halted enforcement of the CTA. The preliminary injunction, issued on Dec. 3, 2024, by a federal district court in *Texas Top Cop Shop, Inc. v. Merrick Garland, Attorney General of the United States*, Case No. 4:24-cv-478 (E.D. Tex.), had temporarily paused the CTA's reporting obligations, which require non-exempt reporting companies to submit BOI to the Financial Crimes Enforcement Network ("FinCEN").

The Fifth Circuit's order reinstated the CTA's reporting obligations without modification. To accommodate delays caused by the injunction, however, FinCEN has temporarily extended the filing deadlines as follows:

- Reporting Companies formed before Jan. 1, 2024, must file initial BOI reports by Jan. 13, 2025.
- Reporting Companies formed on or after Sept. 4, 2024, must file initial BOI reports by Jan. 13, 2025.
- Reporting Companies formed on or after Jan. 1, 2025, must file initial BOI reports within 30 days of their formation.

The CTA filing deadlines are otherwise unchanged. While the CTA remains the subject of ongoing legal challenges, reporting companies should not delay in preparing and submitting BOI reports. Failure to comply with the CTA's reporting obligations can result in significant penalties.

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