

insights

TYPES NOT MAPPED YET December 24, 2024 | TTR not mapped yet | Nabil G. Al-Khaled, Barry L. Fischer

Fifth Circuit Lifts Injunction Against Corporate Transparency Act – FinCEN Extends Compliance Deadlines

On Monday, December 23, 2024, the U.S. Court of Appeals for the Fifth Circuit, in a case styled *Texas Top Cop Shop, Inc. v. Garland*, granted the government’s emergency motion for a stay of [the U.S. District Court for the Eastern District of Texas’s preliminary injunction](#) against implementation of the Corporate Transparency Act (the “CTA”) and its implementing regulations nationwide.^[1] This ruling reinstates the CTA’s reporting and compliance framework, with compliance obligations now back in effect.

While the immediate legal effect of the injunction’s stay was the reinstatement of the applicable statutory compliance deadlines, FinCEN subsequently announced revised deadlines to address the disruption caused by the short period during which the injunction was in effect. The updated deadlines are as follows:

- Reporting companies created or registered^[2] prior to January 1, 2024 (whose original deadline was January 1, 2025) now have until January 13, 2025, to file their initial Beneficial Ownership Information Reports (“BOIRs”).
- Reporting companies created or registered between September 4, 2024 and December 23, 2024 (whose original deadlines fell between December 3, 2024, and December 23, 2024) now have until January 13, 2025, to file their BOIRs.
- Reporting companies created or registered between December 3, 2024, and December 23, 2024, now have an additional 21 days from their original filing deadlines to file their BOIRs.

FinCEN did not extend the deadline for reporting companies created or registered on or after January 1, 2025—such entities are required to file their BOIRs within 30 days of their creation or registration. Finally, entities qualifying for disaster relief may receive additional extensions beyond January 13, 2025, under applicable disaster relief programs.

Given the reinstatement of the CTA and the updated deadlines, we recommend that any entity qualifying as a “reporting company” under the CTA (*i.e.*, an entity that does not meet one of the CTA’s 23 exemptions) take prompt action to meet FinCEN’s updated deadlines. Failure to comply—or providing false or fraudulent information—can result in substantial civil or criminal penalties. Reporting companies should act promptly to avoid the risk of such consequences.

We are closely monitoring developments in this case and any related government guidance. Should there be further changes—or if additional extensions are granted—we will update this alert accordingly.

[1] No. 24-40792 (5th Cir. Dec. 23, 2024).

[2] As used herein, “registered” refers to entities formed under the laws of a foreign country that are registered to do business within the United States by filing a document with a state’s secretary of state or a similar office.



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