

ALERT

Important CTA Update: CTA Filing Deadlines Immediately Reinstated with Some Extensions

December 24, 2024

On December 23, 2024, the U.S. Court of Appeals for the Fifth Circuit stayed a nationwide injunction blocking all enforcement of the Corporate Transparency Act (CTA). The Fifth Circuit's decision effectively reinstates all CTA filing deadlines, including the January 1, 2025 filing deadline for reporting companies that were formed before 2024. However, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) announced several short extensions, including delaying the filing deadline for pre-2024 reporting companies for 12 days, to January 13, 2025. Accordingly, reporting companies that have not yet filed their initial beneficial ownership information reports (BOIRs) are well advised to immediately resume all CTA filing efforts and submit their BOIRs prior to the new deadlines.

Procedural History

As background, in our last few client alerts, we reported that, earlier this month, the U.S. District Court for the Eastern District of Texas issued a nationwide preliminary injunction temporarily blocking all enforcement of the CTA and its implementing regulation. That injunction suspended **all** BOIR filing deadlines for **all** reporting companies, including the January 1, 2025 deadline. The government appealed the preliminary injunction to the Fifth Circuit and argued, among other things, that a nationwide injunction is an extraordinary remedy that should be stayed pending appeal.

Fifth Circuit Decision

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After ordering an expedited briefing schedule, which imposed stricter deadlines than those originally requested by the government, the Fifth Circuit granted the government's emergency request for a stay and ordered that the government's appeal be expedited to the next available oral argument panel. In doing so, the Fifth Circuit analyzed a multi-factor test for granting such stays, including whether the government would be irreparably injured absent a stay and whether the government has made a strong showing that it is likely to succeed on the merits. When balancing the equities, the Fifth Circuit concluded that the government will likely suffer irreparable harm if it is enjoined from enforcing a statute "enacted by representatives of the people[,]" while businesses subject to the CTA will suffer minimal harm if required to file a BOIR. Perhaps more interesting, the Fifth Circuit concluded that the government is "likely to succeed on the merits in defending [the] CTA's constitutionality" - a preview of how it might rule should the Eastern District of Texas ultimately conclude that the CTA is unconstitutional.

FinCEN Extends Filing Deadline for Certain Reporting Companies

As noted, FinCEN - recognizing that reporting companies may need additional time to file their BOIRs given the timing of recent litigation - has extended the original filing deadline (for reporting companies formed before January 1, 2024) from January 1, 2025 to January 13, 2025.

FinCEN also has extended the filing deadline for reporting companies that were created or registered in the United States on or after September 4, 2024 (and that would have otherwise been required to file between December 3, 2024 and December 23, 2024) to January 13, 2025.

Finally, FinCEN has extended the filing deadline for reporting companies that were created or registered in the United States on or after December 3, 2024 and before December 23, 2024 by an additional 21 days from their original filing deadline. (For a list of other CTA extensions, see FinCEN's page [here](#) and view our related client alert [here](#).)

As always, we continue to monitor developments, including ongoing litigation in several U.S. District and Circuit Courts, and report those developments as soon as possible. Until then, the CTA is here to stay (no pun intended).