

December 27, 2024

SECOND UPDATE

APPEALS COURT OVERTURNS INJUNCTION AND REINSTATES REPORTING REQUIREMENT UNDER THE CORPORATE TRANSPARENCY ACT

On December 23, 2024, the U.S. Court of Appeals for the Fifth Circuit overturned a preliminary injunction recently issued by a federal district court in Texas that temporarily blocked the federal government's enforcement of the Corporate Transparency Act (CTA).

Reporting companies are once again required to file a Beneficial Ownership Information Report (BOIR) with FinCEN.

FinCEN has extended the deadline for reporting companies created prior to January 1, 2024 to file a BOIR to January 13, 2025 in light of the Fifth Circuit's ruling and has also extended the filing deadline for certain reporting companies created in 2024.

Although litigation continues regarding the constitutionality of the CTA and a further appeal of the injunction to the U.S. Supreme Court is possible, we are uncertain at this time whether a court will again block the federal government's enforcement of the CTA.

We recommend that reporting companies created prior to January 1, 2024 that have not yet filed a BOIR with FinCEN consider making the filing by the January 13, 2025 deadline and that reporting companies created in 2024 comply with the applicable filing deadlines.

We are available to discuss with you the potential compliance issues raised by the Fifth Circuit's ruling.

Contacting Pavia & Harcourt LLP

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