

THE FIFTH CIRCUIT STAYS PRELIMINARY INJUNCTION AGAINST ENFORCEMENT OF THE CORPORATE TRANSPARENCY ACT; FINCEN EXTENDS DEADLINES

12.24.2024

IMPORTANT NOTICE: *As of March 2nd, 2025, the U.S. Treasury Department announced it will not pursue enforcement actions against domestic reporting companies or their beneficial owners for failing to file their Beneficial Ownership Information (BOI) reports by the deadline, and plans to narrow the scope of reporting requirements only to foreign reporting companies. Read the latest update [here](#), and we will keep you updated on the ongoing saga of uncertainty surrounding the status of the Corporate Transparency Act.*

On the afternoon of December 23, 2024, the Fifth Circuit Court of Appeals issued an order that immediately stayed the preliminary injunction against enforcement of the Corporate Transparency Act (CTA) previously issued by the U.S. District Court for the Eastern District of Texas in *Texas Top Cop Shop, Inc. v. Garland* on December 3, 2024. The Fifth Circuit's order reinstated the CTA's January 1, 2025 deadline for companies formed prior to January 1, 2024 to file their initial Beneficial Ownership Information (BOI) reports.

However, recognizing "that reporting companies may need additional time to comply given the period when the preliminary injunction has been in effect", FinCEN issued guidance on the evening of December 23, 2024 extending filing deadlines to file initial BOI reports as follows:

- **New Filing Deadline for Reporting Companies formed before 2024:**
January 13, 2025 (previous deadline January 1, 2025)
- **New Filing Deadline for Reporting Companies formed on or after September 4, 2024:** **January 13, 2025** (previous deadline was 90 days after formation which fell within the period when the preliminary injunction was in

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effect)

- **New Filing Deadline for Reporting Companies formed on or after December 3, 2024 and on or before December 23, 2024: 111 days after formation** (previous deadline 90 days after formation; FinCEN is providing “an additional 21 days from their original filing deadline”)

No other CTA deadlines have been changed by FinCEN.

Businesses that previously paused BOI report filing due to the injunction should immediately resume efforts to meet the January 13, 2025 deadline. Reporting companies formed before January 1, 2024, must file their BOI reports with FinCEN on or before January 13, 2025. Companies formed between January 1, 2024, and December 31, 2024, must file within 90 days of formation (unless they were formed on or after September 4, 2024 and on or before December 23, 2024, in which case the initial BOI report for such entity should be filed in accordance with the new deadlines set forth above). Newly formed entities created on or after January 1, 2025, must file BOI reports within 30 days of formation.

Immediate Recommendations

1. **Prepare to File by January 13, 2025:** Companies should ensure they have the necessary information for reporting, including all required documentation for beneficial owners.
2. **Act Quickly if Necessary:** With the deadline approaching, businesses should prioritize compliance to avoid penalties. Failing to file BOI reports or providing inaccurate information may result in fines of up to \$10,000, imprisonment for up to two years, or both.
3. **Seek Assistance:** Determining whether a company qualifies as a reporting company or meets one of the 23 available exemptions can be complex. Contact your Conner & Winters attorney for assistance in analyzing your company's specific obligations under the CTA.

What to Expect Next

Although the Fifth Circuit has stayed the preliminary injunction, the underlying litigation remains active, and further developments are possible. Additionally, other courts may weigh in on the CTA's constitutionality, potentially impacting reporting requirements in the future.

Conner & Winters will continue monitoring this evolving legal landscape to ensure we support clients in remaining proactive in their compliance efforts. For further guidance, contact your attorney at Conner & Winters.