

CTA UPDATE – Fifth Circuit Reinstates Nationwide Preliminary Injunction

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On December 26, 2024, the Fifth Circuit Court of Appeals reinstated the nationwide preliminary injunction against enforcement of the Corporate Transparency Act (CTA) in the case of *Texas Top Cop Shop, Inc., et al. v. Garland, et al.*, No. 4:24-cv-00478 (E.D. Tex.), reversing its previous decision, which had lifted this injunction on December 23, 2024. For background on the litigation, please see this [earlier publication](#).

Takeaways: How should the injunction affect your CTA compliance?

1. While the injunction remains in effect, reporting companies need not file their beneficial ownership information with FinCEN.
 1. This applies to:
 1. initial reports (which, but for the injunction, (A) reporting companies in existence before January 1, 2024 had until January 13, 2025 to file, (B) reporting companies formed on or after September 4, 2024 that had a filing deadline between December 3, 2024 and December 23, 2024 had until January 13, 2025 to file, (C) reporting companies formed on or after December 3, 2024 and on or before December 23, 2024 had an additional 21 days from their original filing deadline (90 days from formation) to file and (D) new reporting companies formed after December 31, 2024 had 30 days to file);
 2. updated reports (which, but for the injunction, reporting companies had 30 days to file after changes to the information in their previously filed reports); and
 3. corrected reports (which, but for the injunction, reporting companies had 30 days to file after becoming aware or having reason to know of an inaccuracy in their previously filed reports).
 2. While the injunction remains in effect, individuals who have obtained a FinCEN identifier number need not file with FinCEN updated or corrected information previously submitted to FinCEN

in an application for a FinCEN identifier number (which, but for the injunction, such individuals had 30 days to report after changes to the information in their previously filed reports or after becoming aware or having reason to know of an inaccuracy in their applications).

3. Despite the injunction, reporting companies are permitted to continue to voluntarily submit beneficial ownership information reports, and individuals are permitted to voluntarily obtain FinCEN identifier numbers and file with FinCEN updated or corrected information in applications for FinCEN identifier numbers.

The time frame for the Fifth Circuit's consideration of the issues and an eventual final decision regarding the disposition of the CTA is uncertain. Reporting companies should continue to monitor proceedings in the litigation and further guidance issued by FinCEN.

For background on the CTA, please see this [earlier publication](#).

Please contact one of the authors of this alert or your regular Vorys contact attorney for more information about CTA compliance.