

## Government Files an Emergency Motion with the 5th Circuit Court of Appeals to Stay Corporate Transparency Act Preliminary Injunction

December 17, 2024

As discussed in our previous Client Alerts on [December 9](#) and [December 13](#), on December 3, 2024, the U.S. District Court for the Eastern District of Texas (the “District Court”) issued a nationwide preliminary injunction that temporarily blocks enforcement of the Corporate Transparency Act (“CTA”) and the U.S. Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”) related beneficial ownership information (“BOI”) reporting rules.

### Update as of December 17, 2024

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On December 12, 2024, the government filed a motion with the District Court to stay the preliminary injunction pending the government’s appeal of the District Court’s ruling to the 5th Circuit Court of Appeals (“Court of Appeals”). On December 17, 2024, the District Court denied that motion.

Notwithstanding that motion in the District Court, the government has also filed an emergency motion with the Court of Appeals to stay the District Court’s preliminary injunction of the CTA. The Court of Appeals has ordered plaintiffs to respond to the government’s motion by December 17, 2024, with a reply due by December 19, 2024.

As part of its brief on the motion, the government requested that the Court of Appeals rule on its motion “as soon as possible, but in any event no later than December 27, 2024, to ensure that regulated entities can be made aware of their obligation to comply before January 1, 2025.” This seems to leave little doubt that the government is intent on maintaining the January 1, 2025 reporting deadline irrespective of the District Court’s rulings against it.

Given the very short briefing schedule, it appears the Court of Appeals may be ready to rule quickly and could potentially render a decision before January 1, 2025. **Companies potentially subject to BOI reporting should be prepared to comply with the CTA’s BOI reporting requirements in a very short timeframe, possibly no more than a few days, in the event the reporting deadline is resumed.**

We are closely monitoring developments in the case and will continue to provide updates, including once the Court of Appeals renders a decision on the government’s motion to stay the appeal.

### For More Information

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We are available at any time to answer questions, discuss scenarios, and provide guidance. If you would like further information concerning the matters discussed in this article, please contact a member of the Corporate and Securities Department or visit us online at [chapman.com](http://chapman.com).

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