

Fifth Circuit Court of Appeals Grants Stay Pending Appeal as to the Preliminary Injunction of the Corporate Transparency Act, and FinCEN Extends CTA Reporting Deadline to January 13, 2025

December 23, 2024

As previously noted in our [Client Alert](#), 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 blocked 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, and as noted in our most recent [Client Alert](#), the government filed an emergency motion with the Fifth Circuit Court of Appeals (the “Court of Appeals”) to stay the District Court’s preliminary injunction pending its appeal of that injunction order.

Update as of December 23, 2024

On December 23, 2024, the Court of Appeals granted the government’s emergency motion for a stay of the District Court’s nationwide preliminary injunction. The Court of Appeals ordered an expedited hearing on the government’s appeal, but such a hearing has not yet been scheduled.

In response, FinCEN issued an [Alert](#) stating that reporting companies which otherwise would have been required to comply with the CTA’s BOI reporting requirements by January 1, 2025 now have until January 13, 2025 to file.

The Court of Appeals may still affirm the District Court’s institution of the nationwide preliminary injunction after the hearing. **However, as of the date of this Client Alert, the CTA is in effect and all companies potentially subject to BOI reporting should be prepared to comply with the CTA’s BOI reporting requirements by the extended January 13, 2025 deadline.**

We are closely monitoring developments in the case and will continue to provide updates.

For More Information

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.

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