

Corporate Transparency Act Update – Court of Appeals for the Fifth Circuit Grants Stay; Reporting Deadlines Reinstated

By Benjamin O. Williams, Joel R. Thielen, Miri Joo, Alec Lybik, Allison B. Hudson and Michael R. Mulcahy

December 26, 2024

On December 3, 2024, the District Court in *Texas Top Cop Shop, Inc., et al. v. Merrick Garland, et al.*, Case No. 24-cv- 478 (E.D. Tex. 2024), entered a nationwide injunction, enjoining the federal government (FinCEN) from enforcing the Corporate Transparency Act (“CTA”) and the CTA’s reporting deadlines. As expected, the government appealed and sought a stay of the nationwide injunction.

On December 23, 2024, the U.S. Court of Appeals for the Fifth Circuit granted the government’s motion to stay, which effectively vacates the nationwide injunction and reinstates the reporting deadlines for reporting companies to file beneficial ownership reports (“BOI Reports”). Shortly after the Fifth Circuit’s ruling, FinCEN extended the reporting deadlines for reporting companies, under most circumstances, to January 13, 2025. Specifically, FinCEN extended the reporting deadlines as follows:

- Reporting companies created or registered prior to January 1, 2024 have until January 13, 2025 to file their initial BOI Report with FinCEN.
- Reporting companies created or registered on or after September 4, 2024, that had a filing deadline between December 3 and December 23, 2024, have until January 13, 2025 to file their initial BOI Report with FinCEN.
- Reporting companies created or registered on or after December 3, 2024 and on or before December 23, 2024, have an additional 21 days from their original filing deadline to file their initial BOI Report with FinCEN.
- Reporting companies that qualify for disaster relief may have extended deadlines that fall on or after January 13, 2025, and should abide by whatever deadline falls later.

Additionally, reporting companies created or registered on or after January 1, 2025 have 30 days to file an initial BOI Report after receiving actual or public notice that their creation or registration is effective.

On December 24, 2025, the plaintiffs in *Texas Top Cop Shop* moved for an expedited rehearing before the full Fifth Circuit to reconsider the ruling. A ruling on plaintiffs’ motion for rehearing is expected in early January 2025. As a result of the Fifth Circuit’s ruling, companies that may be subject to the CTA’s reporting obligations should take steps either to confirm that no filings are required (i.e., one of the CTA’s 23 exemptions applies to the company), or to make any required filings prior to the applicable deadline.

The future of the CTA remains uncertain, especially with the potential for the U.S. Supreme Court to ultimately rule on the constitutionality of the CTA. Vedder Price will continue to closely monitor all CTA-related litigation and any guidance from FinCEN and provide periodic updates. Please do not hesitate to contact any member of Vedder Price’s CTA Working Group with any questions.

CTA Working Group:

Ben Williams bwilliams@vedderprice.com

Joel Thielen jthielen@vedderprice.com

Miri Joo mjoo@vedderprice.com

Alec Lybik alybik@vedderprice.com

Allison Hudson ahudson@vedderprice.com

Mike Mulcahy mmulcahy@vedderprice.com

vedderprice.com