

CORPORATE TRANSPARENCY ACT INJUNCTION STAYED

On Monday, Dec. 23, 2024, the U.S. Fifth Circuit Court of Appeals stayed the nationwide injunction that previously prohibited enforcement of the Corporate Transparency Act (CTA), reviving compliance obligations under the law.

We previously issued a Client Alert regarding the injunction placed on the CTA by the U.S. District Court and the appeal the Department of Justice (DOJ) filed in response. While waiting for relief on the merits, the DOJ filed a motion to have the injunction on CTA enforcement stayed pending appeal, this motion was granted by the court.

The fact the court did not extend the deadline for reporting obligations initially suggested that, by lifting the stay, the end of year reporting deadline for beneficial ownership information (BOI) reports was reinstated. However, in response to the ruling, the Financial Crimes Enforcement Network (FinCEN) posted [an alert on their website](#) that clarified the implications of the stay on BOI reporting obligations.

Recognizing that many companies paused their CTA compliance efforts in the wake of the nationwide injunction on enforcement, FinCEN extended the reporting deadline for BOI reports. Rather than a flat extension of the Jan. 1 reporting deadline, FinCEN adopted a staggered extension whereby a company's new reporting deadline is determined by the date of formation. A summary of the new reporting deadlines is contained below.

- Companies that were created or registered prior to Jan. 1, 2024, have until Jan. 13, 2025 to file their initial BOI reports with FinCEN.
- Companies that were created or registered on or after Sept. 4, 2024, that had a filing deadline between Dec. 3, 2024 and Dec. 23, 2024 have until Jan. 13, 2025 to file their initial BOI reports with FinCEN.
- Companies that were created or registered on or after Dec. 3, 2024 and on or before Dec. 23, 2024 have an additional 21 days from their original filing deadline to file their initial BOI reports with FinCEN.

While the litigation these orders relate to is ongoing, the reporting obligations imposed by the CTA are active and being enforced. If you have not already filed, BOI reports must be completed and submitted by the applicable deadline listed above. Even if the CTA is ultimately declared unconstitutional, that determination is unlikely to come before the new reporting deadlines, and failure to comply with the CTA can result in penalties of up to \$500 per day

PEOPLE

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SERVICES AND INDUSTRIES

Corporate

Financial Services and Banking



and/or two years in prison.

Please do not hesitate to contact a member of our CTA team or your regular Armstrong Teasdale attorney if you have any questions regarding the stay imposed by the Court of Appeals, filing a BOI report, or any other CTA concerns.