

Another Urgent Update: Corporate Transparency Act is Again Enforceable with New Deadline for Reporting

Client Alert

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We previously [reported](#) that on December 26, 2024, the U.S. Court of Appeals for the Fifth Circuit vacated the Fifth Circuit motion panel's stay of the Corporate Transparency Act (CTA) of the temporary injunction granted by the U.S. District Court for Eastern Texas, stating specifically that it was vacating the order to "preserve the constitutional status quo while the merits panel considers the parties' weighty substantive arguments."

Therefore, enforcement of the CTA was temporarily halted nationwide once again. We continue to await oral argument before the Fifth Circuit on the constitutionality of the CTA, which is scheduled for March 2025.

In the meantime, on January 2, 2025, the Department of Justice (DOJ) filed an Application for a Stay of the Injunction with the Supreme Court of the United States to reverse the Fifth Circuit's decision to reinstate the injunction. On January 23, the Supreme Court ruled that the injunction *must be lifted* pending the Fifth Circuit's review of CTA constitutionality.

Around that same timeframe, on January 7, the U.S. District Court for Eastern Texas granted another preliminary injunction in a different CTA case, once again halting the CTA's enforcement nationwide. It is unclear why the DOJ delayed in appealing this particular nationwide injunction; however, it finally filed its motion to lift the stay with the District Court, which the plaintiffs in that case likewise opposed.

Nonetheless, given the Supreme Court's decision that the nationwide preliminary injunction would be lifted in the first case, *on February 18, 2025, the District Court ordered that the nationwide injunction must be lifted in the second case as well.*

Therefore, the CTA is once again enforceable *with* a new deadline.

The Department of Treasury, through the Financial Crimes Enforcement Network (FinCEN), issued **new compliance deadlines** as follows:


- Generally, the majority of reporting companies will have until **March 21, 2025**, to report to FinCEN.
- If a later reporting deadline was specifically assigned to any reporting entity, it may utilize the later deadline previously provided by FinCEN.
- The reporting entities that were plaintiffs in the District Court for the Northern District of Alabama case in March 2024, are still subject to the limited injunction provided in that case.

FinCEN has further stated that it is committed to "reducing regulatory burden[s] on businesses" and will be assigning options to further modify deadlines prior to March 21, 2025. It additionally intends to initiate a new BOI reporting rule to specifically reduce burdens for "lower-risk entities," including many small businesses.

We continue to recommend that if you have not yet assessed whether your entity qualifies as a reporting entity, or require assistance identifying your beneficial owners, you should contact our office as soon as possible.

Please review our previous [CTA Client Alerts](#) for more information regarding the ongoing legal developments related to the CTA. We will continue to provide information regarding the CTA as matters unfold. Please contact the author of this Alert with any questions regarding the Corporate Transparency Act.

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