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Corporate Transparency Act Whiplash

Yesterday, December 23, 2024, the U.S. Fifth Circuit Court of Appeals issued a stay of the nationwide preliminary injunction on enforcement of the Corporate Transparency Act (CTA), which injunction had been ordered by the U.S. District Court for the Eastern District of Texas on December 3, 2024.

The result of this ruling from the Fifth Circuit is that, subject to any guidance from FinCEN, (1) the original CTA reporting deadlines were put back in effect, with the most pressing being the January 1, 2025, deadline for entities that were formed prior to January 1, 2024, and (2) FinCEN may enforce the CTA reporting requirements and impose the stated fines for those entities which fail to meet the deadlines.

However, as suspected, FinCEN issued a statement later in the day extending the deadlines as follows:

- Reporting companies that were created or registered prior to January 1, 2024, **have until January 13, 2025,** to file their initial beneficial ownership information reports with FinCEN *[emphasis added]. These companies would otherwise have been required to report by January 1, 2025.*
- Reporting companies created or registered in the U.S. on or after September 4, 2024, that had a filing deadline between December 3, 2024, and December 23, 2024, have until January 13, 2025, to file their initial beneficial ownership information reports with FinCEN.
- Reporting companies created or registered in the U.S. 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 beneficial ownership information reports with FinCEN.
- Reporting companies that are created or registered in the U.S. on or after January 1, 2025, have 30 days to file their initial beneficial ownership information reports

with FinCEN after receiving actual or public notice that their creation or registration is effective. *This has not changed from the current rule.*

A one-year delay in the Beneficial Ownership Information (BOI) reporting requirements had been included in a proposed spending bill in the House of Representatives last week, but the version of the bill passed by Congress late on Friday, December 20, avoiding a government shutdown, did not include any BOI deadline extension provisions.

We will continue to monitor developments in this case and further guidance, if any, from FinCEN and provide timely updates.

This blog post was drafted by Peter Hartweger, Trace Blankenship, Kelly Mooney, and Leslie Greathouse, attorneys on the firm's Corporate Transparency Act Committee. For more information visit www.spencerfane.com or connect with the Committee at CTACompliance@spencerfane.com.

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