

Final Rulemaking Update CTA: Beneficial Ownership Reporting Injunction Back in Effect

In yet another update regarding the Corporate Transparency Act (**CTA**), on Thursday December 26, the US Court of Appeals for the Fifth Circuit issued an order vacating its stay of the Texas federal district court's preliminary nationwide injunction barring the US government's enforcement of the CTA. As a result, the government is again prohibited from enforcing the CTA and its beneficial ownership information (**BOI**) reporting rule.

In this most recent order, the Fifth Circuit cited a desire "to preserve the constitutional status quo while the merits panel considers the parties' weighty substantive arguments."

To recap recent CTA developments:

- On December 3, 2024, the US District Court for the Eastern District of Texas issued a nationwide preliminary injunction against enforcement of the CTA's BOI reporting requirements.
- On December 23, 2024, a panel of the Fifth Circuit issued a stay pending appeal of that preliminary injunction, putting the BOI reporting requirements back in effect.
- Following the December 23 court order, the US Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) extended certain BOI reporting deadlines.
- On December 26, 2024, the US Court of Appeals for the Fifth Circuit issued an order vacating the stay that was issued on December 23.

Standish will continue to follow the developments of this case. Were the injunction to be lifted once again, the deadline to report BOI for companies created prior to 2024 is still January 13, 2025.

See News Source - [https://www.mondaq.com/unitedstates/corporate-and-company-law/1564264/cta-deadline-extended-to-jan-13-2025-after-stay-of-injunction-by-fifth-circuit#:~:text=CTA%20BOI%20Report%20Deadlines%20Back,\(BOI\)%20reports%20with%20FinCEN](https://www.mondaq.com/unitedstates/corporate-and-company-law/1564264/cta-deadline-extended-to-jan-13-2025-after-stay-of-injunction-by-fifth-circuit#:~:text=CTA%20BOI%20Report%20Deadlines%20Back,(BOI)%20reports%20with%20FinCEN)