

Breaking News: Fifth Circuit Court of Appeals Lifts Nationwide Preliminary Injunction – Compliance with Corporate Transparency Act Immediately Reinstated

Article By:

Alex Haddad

Andrew L. Jagoda

Phillip S. Koh

David J. Matthews

Michael L. Sherlock

Scott M. Vetri

UPDATE: On December 23, 2024, the Fifth Circuit of Appeals lifted a preliminary nationwide injunction against enforcement of the Corporate Transparency Act issued by the US District Court of the Eastern District of Texas. The result is that compliance with the CTA is immediately reinstated. After the Fifth Circuit ruling, FinCEN issued an Alert which amended certain filing deadlines. The deadlines for certain non-exempt Reporting Companies have been extended as follows (with the extension date varying by date of creation or registration or other factors noted below):

1. 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. (These companies would otherwise have been required to report by January 1, 2025.)
2. Reporting companies created or registered in the United States 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.
3. Reporting companies created or registered in the United States 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.
4. Reporting companies that qualify for disaster relief may have extended deadlines that fall beyond January 13, 2025. These companies should abide by whichever deadline falls later.

5. Reporting companies that are created or registered in the United States 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.
6. As indicated in the FinCEN alert titled "[Notice Regarding National Small Business United v. Yellen, No. 5:22-cv-01448 \(N.D. Ala.\)](#)," Plaintiffs in *National Small Business United v. Yellen*, No. 5:22-cv-01448 (N.D. Ala.) — namely, Isaac Winkles, reporting companies for which Isaac Winkles is the beneficial owner or applicant, the National Small Business Association and members of the National Small Business Association (as of March 1, 2024) — are not currently required to report their beneficial ownership information to FinCEN at this time.

The full Fifth Circuit Opinion is [available here](#).

To view the FinCEN Alert modifying certain deadlines [click here](#).

Breaking News: Federal District Court Halts Corporate Transparency Act Enforcement Nationwide

On December 3, 2024, the US District Court for the Eastern District of Texas granted a nationwide preliminary injunction prohibiting the federal government from enforcing the CTA, its implementing regulations and its reporting deadlines. See *Texas Top Cop Shop, Inc., et al. v. Garland, et al.*, Case No. 4:24-cv-478 (E.D. Tex.).

As a reminder, the CTA requires a Reporting Company to file a report with the US Treasury Department's Financial Crimes Enforcement Network (FinCEN), which contains specified information regarding itself and its beneficial owners. The CTA's implementing regulations provide that each Reporting Company must file its initial FinCEN report (a) by January 1, 2025, in the case of Reporting Companies formed or registered to do business prior to January 1, 2024, (b) within 90 days following formation or registration, in the case of Reporting Companies formed or registered to do business during 2024, and (c) within 30 days following formation or registration, in the case of Reporting Companies formed or registered to do business on or after January 1, 2025.

In the *Texas Top Cop Shop* case, the US District Court Judge Amos L. Mazzant issued a nationwide preliminary injunction preventing the enforcement of the CTA and its reporting requirements, including the compliance deadlines.

Many Reporting Companies who have not filed a FinCEN report to date are questioning the effect of the preliminary injunction. As of December 4, 2024, the CTA's reporting requirements are unenforceable. However, it is important to note that the preliminary injunction only **temporarily** enjoins enforcement of the CTA and is subject to appeal and further procedural developments. Whether and when an appeal may be filed, and the timing and outcome of an appeal, are all uncertain. Such developments may happen quickly or without advance notice, and any changes may or may not include an extension to the deadlines specified by the CTA. FinCEN has not yet issued any related statement or guidance in the wake of this nationwide preliminary injunction. A Reporting Company with questions should seek legal counsel regarding CTA compliance. A Reporting Company also should consider any applicable confidentiality obligations if it chooses to file a FinCEN report while the preliminary injunction is in effect. Katten will continue to closely monitor legal developments regarding the CTA.

The full opinion is available [here](#).

©2025 Katten Muchin Rosenman LLP

National Law Review, Volume XIV, Number 340

Source URL: <https://natlawreview.com/article/breaking-news-federal-district-court-halts-corporate-transparency-act-enforcement>