

Federal Court Revives CTA's Reporting Obligations Effective Immediately

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At approximately 1:30 pm Eastern Time on December 23, 2024, the United States Court of Appeals for the Fifth Circuit (Fifth Circuit) revived the immediate enforceability of the Corporate Transparency Act (CTA). In *Texas Top Cop Shop, Inc. v. Garland*, a three-judge panel of the Fifth Circuit stayed a lower court's nationwide preliminary injunction against the CTA, which was issued on December 3, 2024. This means that, among other obligations, the January 1, 2025, compliance deadline for reporting companies in existence as of January 1, 2024, is back in effect.

This situation is rapidly evolving. In the coming days, the challengers in this case could seek further review from the Fifth Circuit or seek relief from the United States Supreme Court. Additionally, several other federal courts are actively considering challenges against the CTA. At the time of this publication, the United States Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) has not publicly released any guidance based on today's ruling.

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