

Court of Appeals Lifts Corporate Transparency Act Injunction

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The U.S. Court of Appeals for the Fifth Circuit has lifted the nationwide injunction that prevented the U.S. Treasury from requiring certain businesses to file a Beneficial Ownership Interest Report (“BOIR”) pursuant to the Corporate Transparency Act (“CTA”), as [previously reported](#).

The Court of Appeals granted the Federal Government’s request that it stay – i.e., pause – the lower court’s nationwide injunction until the Court of Appeals rules on the merits of the dispute. Therefore, reporting companies will need to resume meeting their filing obligations unless and until the same Court of Appeals rules the CTA is unconstitutional.

That outcome seems unlikely. The Court of Appeals held that “the government has made a strong showing that it is likely to succeed on the merits in defending CTA’s constitutionality” because the law “regulates anonymous ownership and operation of businesses” in a way that is appropriate for Congress’s regulation of interstate commerce. *Texas Top Cop Shop, et al v. Merrick Garland, et al*, No. 24-40792 at *3 (5th Cir. Dec. 23, 2024). Holding that the lower court was wrong to find that the law only regulated inactivity and infringed on states’ rights to regulate the formation of business organizations, the Court of Appeals found that the filing obligations are minimally burdensome and appropriately help to combat financial crimes.

The U.S. Treasury has extended the BOIR filing deadline for entities facing a January 1 deadline, by two weeks:

- Reporting companies that were created or registered prior to January 1, 2024 have until January 13, 2025 to file their initial BOIR with FinCEN. (These companies would otherwise have been required to report by January 1, 2025.)
- 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 BOIR with FinCEN.

A copy of the opinion is available [here](#).

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