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CTA Alert – Breaking News

December 24, 2024

CORPORATE TRANSPARENCY ACT UPDATE – FILING REQUIREMENT REINSTATED, DEADLINE TO FILE BOI REPORTS EXTENDED TO JANUARY 13, 2025

Recent Appeals Court Ruling Overrides District Court Injunction

Yesterday (December 23, 2024), the United States Court of Appeals for the Fifth Circuit granted the government a stay of the district court’s injunction pending the outcome of the Department of the Treasury’s ongoing appeal of the district court’s order.

On December 3, 2024, the U.S. District Court for the Eastern District of Texas had ruled in *Texas Top Shop, Inc. v. Garland* that the Corporate Transparency Act (“CTA”) is likely unconstitutional and issued a *nationwide* preliminary injunction barring the enforcement of the CTA (which stated that companies do not need to comply with the CTA’s reporting requirements and deadlines). This order is no longer in effect, as a result of yesterday’s appeals court ruling.

Current Requirements and Updated Deadlines

The Appeals Court’s ruling reinstates the requirements of the CTA, and reporting companies are once again required to file reports with FinCEN.

FinCEN has extended the deadlines for companies that were created or registered prior to January 1, 2024. Those companies now have until January 13th, 2025 to file their initial beneficial ownership information (“BOI”) reports with FinCEN. (Those companies were originally required to file BOI reports by January 1, 2025.)

For background and more details on the CTA, please see our prior alert from last month [here](#).

Potential Changes

This stay of the injunction may not be the final ruling on the constitutionality of the CTA as the case will still be appealed. However, given the new January 13th deadline, reporting companies that have not yet filed BOI reports should do so promptly.

Summary

- Reporting companies are once again required to comply with the CTA’s requirement to file BOI reports.
- FinCEN has extended the filing deadline to January 13, 2025, for reporting companies created or registered prior to January 1, 2024.

If you have questions or would like more information, please contact [Yitz Weiss](#), [Natanya H. Allan](#), [Benjamin L. Grosz](#), or your primary IPB contact from our Estate Planning practice.