

**Baby It's Cold Outside - But Don't Tell the Markets ...**

January 30, 2025

**FinCEN Slightly Adjusts Beneficial Ownership Reporting Deadlines After Fifth Circuit Court of Appeals Stays Texas Court's Nationwide Injunction of the Corporate Transparency Act**

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The U.S. Court of Appeals for the Fifth Circuit (the Fifth Circuit) granted the federal government's motion and stayed enforcement of a lower court's nationwide injunction against enforcement of the Corporate Transparency Act (CTA). As a result, filing of beneficial ownership information (BOI) reports with the Financial Crimes Enforcement Network (FinCEN) is once again mandatory for all non-exempt reporting companies. FinCEN, the government agency responsible for enforcement of the CTA, immediately announced that it will resume enforcement of the CTA and its BOI reporting deadlines, albeit with slight timeline adjustments.

On December 23, 2024, in *Texas Top Cop Shop, Inc., et al. v. Garland*, a three-judge panel of the Fifth Circuit stayed a Texas court's recent nationwide preliminary injunction prohibiting the implementation of the CTA's beneficial ownership filing requirements.<sup>1</sup> In doing so, the Fifth Circuit found that the government had "made a strong showing that it is likely to succeed on the merits in defending CTA's constitutionality."<sup>2</sup> The stay permits FinCEN to carry out enforcement of the law while the lawsuit filed in Texas proceeds on a regular schedule. Within hours of the decision, FinCEN published an alert announcing that corporate filers were required to comply with the CTA's beneficial ownership reporting rules, but with the following adjustments to the CTA's reporting deadlines:<sup>3</sup>

- Reporting companies that were created or registered prior to January 1, 2024 have until January 13, 2025 to file their initial BOI reports with FinCEN.
- Reporting companies that are 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 BOI reports with FinCEN.
- 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 BOI reports with FinCEN.
- Reporting companies that are created or registered in the United States on or after January 1, 2025 have 30 days to file their initial BOI reports with FinCEN after receiving actual or public notice that their creation or registration is effective.

Cadwalader **previously commented on** *Texas Top Cop Shop* and other decisions challenging the constitutionality of the CTA, three of which are currently pending in various federal courts. We will continue to monitor the developments in all of the pending lawsuits.

**1** Unpublished Order, *Texas Top Cop Shop, Inc. v. Garland*, No. 24-40792 (5th Cir. Dec. 23, 2024), ECF No. 140-2.

**2** *Id.*

**3** *Beneficial Ownership Information*, FinCEN, <https://fincen.gov/boi> (last accessed Dec. 23, 2024).