

Nationwide Suspension of Corporate Transparency Act and FinCEN Reporting Obligations

As a result of a recent court order by the U.S. Court of Appeals for the Fifth Circuit, the previously announced Corporate Transparency Act (“CTA”) filing deadline of yesterday (January 13, 2025), was enjoined, and reporting companies are no longer required to submit their beneficial ownership information (“BOI”) with the U.S. Financial Crimes Enforcement Network (“FinCEN”) until the court makes a final decision on the constitutionality of the mandatory reporting requirements under the CTA.

BACKGROUND

As a reminder, the CTA requires companies that are registered to do business in the U.S. to file a BOI report with FinCEN, disclosing information on such company’s beneficial owners. For more information, please [see our article on Corporate Transparency Act and FinCEN Required Reporting](#).

On December 3, 2024, in the case of *Texas Top Cop Shop, Inc., et al. v. Merrick Garland, et al.*, the constitutionality of the CTA law was challenged. The U.S. District Court for the Eastern District of Texas issued a federal order granting a nationwide preliminary injunction that temporarily enjoins FinCEN from enforcing BOI reporting requirements under the CTA. In reaching its conclusion, the U.S. District Court indicated that there is a substantial likelihood that the CTA requirements are unconstitutional.

On December 23, 2024, a three-judge panel of the U.S. Court of Appeals for the Fifth Circuit stayed the federal injunction order from the case of *Texas Top Cop Shop Inc.*, making the CTA filing requirements effective again. In response to the reversal of the federal injunction, FinCEN issued a statement extending certain BOI filing deadlines to January 13, 2025.

However, on December 26, 2024, the full Fifth Circuit Court of the U.S. Court of Appeals overturned the three-judge panel, vacated the stay, and reinstated the nationwide preliminary injunction, effectively enjoining CTA reporting requirements once again. While the merits of the case are still under review, CTA’s enforcement of its BOI filing requirement is currently barred. FinCEN’s revised deadlines are no longer enforceable at this time, and reporting companies are once again released from their BOI filings.

NEXT STEPS

Based on what we are hearing, a further update will not be available until March; however, given the uncertainty of the court’s decision, we advise reporting companies to be prepared to report in the event that the preliminary injunction is once again stayed or overturned. We will continue to provide updates as the lawsuit progresses.

Please reach out to us if you have any questions or need assistance filing BOI reports.

ABOUT WICK PHILLIPS

Wick Phillips is a full-service business law firm serving clients across Texas and the United States. Founded in 2004, the firm has grown to over 90 attorneys, specializing in all areas of business law—complex commercial litigation and appeals, corporate transactions, labor and employment, real estate, intellectual property, bankruptcy, insurance coverage, tax, and securities—with offices in Austin, Dallas and Fort Worth.

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