

Update Memo: Corporate Transparency Act

DATE: December 24, 2024

TO: Clients & Friends

FROM: Choate, Hall & Stewart LLP

RE: Fifth Circuit Panel Reinstates the CTA and FinCEN Extends the Deadline to January 13

On December 23, 2024, a panel of the Fifth Circuit issued a stay in the appeal concerning the Corporate Transparency Act (“CTA”). As a result, the CTA is back in force.

On December 3, 2024 ([as reported earlier](#)), a District Court in Texas entered a nationwide injunction declaring that the CTA is unconstitutional and cannot be enforced. DOJ promptly appealed to the Fifth Circuit Court of Appeals. DOJ asked the appellate court to stay the lower court’s ruling, and to restore the January 1 deadline for companies to file submissions under the CTA. On December 23 this motion was granted by a three-judge panel of the Fifth Circuit. The litigants may seek yet another reversal, by turning to the full bench of the Fifth Circuit, but that will be difficult.

FinCEN responded to the stay by extending the filing deadline to January 13. This provides a small grace period over the holidays. FinCEN posted a notice on its website as follows (emphasis added):

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

We recommend that you watch the news to see whether there will be any further action by the courts before the new deadline.

Please reach out to your regular contact at Choate if you have questions.