

Published Articles

Another Urgent Update on the Corporate Transparency Act: Nationwide Injunction Back in Effect – All CTA Reporting Stayed

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Greenbaum, Rowe, Smith & Davis LLP Client Alert

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In an Alert earlier this week, we reported that on December 23, 2024, a motion panel of three judges from the U.S. Court of Appeals for the Fifth Circuit granted the Department of Justice's (DOJ) motion for a *stay*, or temporary hold, on the nationwide temporary injunction enjoining the enforcement of the Corporate Transparency Act (CTA).

We consequently advised that as of December 23, all reporting entities were required to report pursuant to CTA – with the reporting deadline extended to January 13, 2025, in most cases.

In the latest CTA-related development, however, the Fifth Circuit on December 26, 2024, *vacated the motion panel's stay* of the temporary injunction, stating specifically that it was vacating the order to "preserve the constitutional status quo while the merits panel considers the parties' weighty substantive arguments."

Therefore, enforcement of the CTA has been temporarily halted nationwide once again.

The Fifth Circuit will hear oral argument on the constitutionality of the CTA in March 2025, and we can anticipate its final ruling shortly thereafter.

Given the constant see-sawing of these court decisions, we continue to recommend that if you have not yet assessed whether your entity qualifies as a reporting entity, or require assistance identifying your beneficial owners, you should contact our office as soon as possible. Additionally, FinCEN continues to accept *voluntary* reporting in its Beneficial Ownership Secure System.

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Published Articles (Cont.)

Please review our previous CTA Client Alerts for more information regarding the ongoing legal developments related to the CTA. We will continue to provide information regarding the CTA as matters unfold. Please contact the author of this Alert with any questions regarding the Corporate Transparency Act.

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