

CAPABILITIES

Corporate & Transactional

CORPORATE TRANSPARENCY ACT UPDATE - COURT INJUNCTION STILL IN EFFECT FOR NOW

Advisory

12.27.24

The Corporate Transparency Act (together with its implementing regulations, "CTA") is a federal law that became effective at the beginning of this year. The CTA imposes new reporting duties on most companies and their owners. You can learn more about the CTA here: [FinCEN BOI Webpage](#). You can find our prior briefings on the CTA here: [HWH CTA Client Briefing December 2023](#), here: [HWH CTA Client Briefing November 2024](#) and here: [HWH CTA Client Briefing December 18, 2024](#).

On December 23, 2024, the United States Court of Appeals for the Fifth Circuit granted the federal government's emergency motion to stay the nationwide preliminary injunction against enforcement of the CTA. The court also expedited the appeal of the district court.

On that same day, FinCEN provided a limited extension for the reporting deadlines for most reporting companies until January 13, 2025. This limited extension did not change the extended reporting deadline for disaster relief purposes.

On December 26, 2024, the Fifth Circuit vacated its prior order to stay the nationwide preliminary injunction against enforcement of the CTA. The court determined the injunction should remain in effect in order to preserve the constitutional status quo while the court considers the parties' "weighty substantive arguments". Thus, the nationwide preliminary injunction against enforcement of the CTA remains in effect for now.

This case will continue to develop over the next several days, so reporting companies should continue to monitor closely the developments in this case and others related to the CTA. Reporting

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companies that have not yet filed their initial BOI reports, and those that have changes to report since their initial filing, should continue the process of gathering relevant information for their BOI reports, and be ready to file on short notice.

Most companies will find that the process of filing BOI reports is relatively straightforward. **Hill Ward Henderson will not file any BOI report on behalf of a reporting company unless and until we have been engaged to do so in writing.** If you require assistance with filing a report or determining whether an exemption from reporting may apply, please do not hesitate to reach out to your contact at the firm or email ctacompliance@hwlaw.com.