

ALERT

... And Just Like That, CTA Is Halted (Yet Again)

December 27, 2024

Just three days after reinstating the Corporate Transparency Act (CTA) reporting requirements, the U.S. Court of Appeals for the Fifth Circuit reversed course and vacated its own decision, thereby blocking all enforcement of the CTA (yet again). As a result, for now, beneficial owner information reports (BOIRs) do not need to be filed.

In a short order issued on December 26, 2024, the Fifth Circuit concluded as follows:

The merits panel now has the appeal, which remains expedited, and a briefing schedule will issue forthwith. However, in order to preserve the constitutional status quo while the merits panel considers the parties' weighty substantive arguments, that part of the motions-panel order granting the Government's motion to stay the district court's preliminary injunction enjoining enforcement of the CTA and the Reporting Rule is VACATED.

Additionally, today, the Fifth Circuit issued a briefing schedule setting oral argument for March 25, 2025.

As discussed in our previous client alert, after the Fifth Circuit reinstated the CTA reporting requirements, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) announced that it would extend some filing deadlines to give reporting companies (especially those that paused CTA efforts following the nationwide injunction) additional time to submit their BOIRs. Although FinCEN has not yet spoken on the most recent legal flip-flop, the Fifth Circuit's order effectively halts all CTA filing deadlines (again) until after the oral argument. And, unless there is further judicial intervention or legislative action, reporting companies need not file

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BOIRs.