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## **Further Update: Federal Court Reinstates Nationwide Injunction of Corporate Transparency Act – *Filings Not Required***

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On December 26, 2024, the U.S. Court of Appeals for the Fifth Circuit vacated the [previously reported](#) stay it granted on December 23 and reinstated the nationwide injunction enjoining enforcement of the Corporate Transparency Act (CTA). Consequently, reporting companies are not required to file beneficial ownership information (BOI) reports with the Financial Crimes Enforcement Network (FinCEN) while the court's order remains in force. In its order, the Fifth Circuit noted it was reinstating the U.S. District Court for the Eastern District of Texas' original injunction "in order to preserve the constitutional status quo while the merits panel considers the parties' weighty substantive arguments."

As we also [previously reported](#), on December 3, 2024, the District Court issued a nationwide preliminary injunction against the enforcement of the CTA and FinCEN's final rule imposing reporting requirements of BOI.

### **Following the December 3 District Court's Ruling:**

- On December 5, the government appealed the injunction to the Fifth Circuit.
- On December 6, FinCEN issued a statement on its website confirming that companies were not required to submit reports for as long as the injunction remains in effect.
- On December 13, the government filed an emergency motion for a stay of the injunction pending appeal in the Fifth Circuit.
- On December 23, the Fifth Circuit granted the government's motion for a stay of the injunction, which had the effect of reinstating the CTA, including the reporting requirements.
- On December 23, following the Fifth Circuit's granting of the government's motion, FinCEN issued a statement on its website extending certain BOI reporting deadlines.
- On December 26, the Fifth Circuit vacated the stay it granted on December 23 and reinstated the injunction, which had the effect of suspending BOI reporting requirements.
- On December 27, FinCEN issued a statement on its website noting that companies are not required to, but may voluntarily, file BOI reports while the injunction remains in force.
- On December 27, the Fifth Circuit released the following briefing schedule for the government's appeal:
  - Appellants' (FinCEN) brief is due February 7
  - Appellees' (plaintiffs) brief is due February 21
  - Appellants' (FinCEN) reply is due February 28
  - Oral arguments begin March 25

## Current Reporting Status:

**The CTA's reporting requirements are suspended again, and filings of BOI reports with FinCEN are not required.**

In light of the current uncertainty surrounding both the results and timing of the government's appeal, for now reporting companies should continue to be prepared to make BOI report filings as it is possible that the filing requirements will be reinstated in the future (with extended deadlines) as a result of further developments in this case.

We will continue to monitor developments in this important case and provide updates.

The CTA, which initially became effective on January 1, 2024, requires, among other things, certain U.S. domestic and foreign companies to report BOI to FinCEN. Extensive information regarding the CTA, FinCEN's rules, and filing reports can be located on FinCEN's website [here](#).

\* \* \*

If you have questions concerning the contents of this alert, or would like more information, please speak to your regular contact at Weil or to any of the following:

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