

December 24, 2024

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## Urgent Update: Corporate Transparency Act Injunction Is Stayed and Mandatory Reporting Requirements Are Applicable to Reporting Companies as Early as January 13, 2025

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We [previously reported](#) that on December 3, 2024 the U.S. District Court for the Eastern District of Texas (Sherman Division) issued a nationwide preliminary injunction enjoining the Government's enforcement of the Corporate Transparency Act ("CTA") – a new federal law that went into effect on January 1, 2024. The CTA requires most legal entities formed or registered to do business in the United States to file reports by January 1, 2025 with the Financial Crimes Enforcement Network ("FinCEN"), a bureau of the United States Department of the Treasury. We noted at that time that the preliminary injunction was likely to be appealed to the United States Court of Appeals for the Fifth Circuit (the "Fifth Circuit").

On December 23, 2024, a three-judge panel of the Fifth Circuit ordered that the lower court's nationwide preliminary injunction against the enforcement of the CTA is stayed, and also ordered that the "appeal is EXPEDITED to the next available oral argument panel." While the situation remains fluid and continues to evolve, in light of a December 23, 2024 stay of the preliminary injunction, the compliance deadline of January 1, 2025 would once again be effective for reporting companies in existence as of January 1, 2024, and the 90 day filing deadline would once again be effective for reporting companies formed on or after September 4, 2024 and before January 1, 2025. The Department of the Treasury recognized that reporting companies may need additional time to comply given the period when the preliminary injunction had been in effect, and it has extended the reporting deadline as follows:

- 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.)



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- Reporting companies created or registered in the United States on or after September 4, 2024, that had a filing deadline between December 3, 2024 and December 23, 2024, have until January 13, 2025 to file their initial beneficial ownership information reports with FinCEN.
  - Reporting companies created or registered in the United States on or after December 3, 2024 and on or before December 23, 2024 have an additional 21 days from their original filing deadline to file their initial beneficial ownership information reports with FinCEN.
  - Reporting companies that qualify for disaster relief may have extended deadlines that fall beyond January 13, 2025. These companies should abide by whichever deadline falls later.
  - Reporting companies that are created or registered in the United States on or after January 1, 2025 have 30 days to file their initial beneficial ownership information reports with FinCEN after receiving actual or public notice that their creation or registration is effective.
  - As indicated in the alert titled “[Notice Regarding National Small Business United v. Yellen, No. 5:22-cv-01448 \(N.D. Ala.\)](#)”, Plaintiffs in *National Small Business United v. Yellen*, No. 5:22-cv-01448 (N.D. Ala.) – namely, Isaac Winkles, reporting companies for which Isaac Winkles is the beneficial owner or applicant, the National Small Business Association, and members of the National Small Business Association (as of March 1, 2024) – are not currently required to report their beneficial ownership information to FinCEN at this time.

The foregoing extensions were reported by FinCEN in a December 23, 2024 alert posted on its website (to read the full alert, [click here](#)).