



## **Corporate Transparency Act resurrected following successful government request for temporary stay of Texas court’s December 3 injunction; FinCEN sets new deadlines for compliance....but hurry, they’re not that generous**

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Birmingham, Mich.---December 26, 2024 –The on-again off-again Corporate Transparency Act (CTA), with its onerous penalties for non-compliance, is on again following yet another legal battle. This time, on December 23, 2024, the Fifth Circuit Court of Appeals granted the temporary stay requested by the federal government with respect to the December 3 ruling by the United States District Court, Eastern District of Texas to preliminarily enjoin enforcement of the CTA. That court’s preliminary injunction against CTA enforcement was national in scope and a clear step back for the contentious legislation. John W. Crowe, managing partner of Birmingham, Michigan-based corporate law firm Williams Williams Rattner & Plunkett (WWRP), has been following the trajectory of the Corporate Transparency Act (CTA) closely, and urges beneficial owners covered by the legislation to comply.

“Within hours of the December 23 decision, the Financial Crimes Enforcement Network (FinCEN) posted updated compliance deadlines to its website, and they are not overly generous,” Crowe said. “Allowing some grace for the holiday timing and the nearly three-week injunction of the court decision, compliance dates still come as soon as January 13 –barely two weeks beyond the initial December 31, 2024, deadline. This appears to be an indicator that enforcement efforts will be in full swing, and we urge reporting companies to comply immediately.”

The FinCEN deadlines are 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.)
- 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.

## **Background**

The CTA requires Reporting Companies in the United States to disclose to the Financial Crimes Enforcement Network (FinCEN) the names of individuals who own or control a company operating in the U.S. market. The goal of identifying these “Beneficial Owners” is to obtain information and increase transparency to fight tax fraud, money laundering and other nefarious financial dealings by gaining information on an estimated 32 million Reporting Companies and their Beneficial Owners.

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