

insights

TYPES NOT MAPPED YET December 27, 2024 | TTR not mapped yet | Nabil G. Al-Khaled, Barry L. Fischer

Fifth Circuit Panel Reinstates Pause on Corporate Transparency Act

In a remarkable development in the legal standoff between the U.S. Treasury Department and the plaintiffs in *Texas Top Cop Shop, Inc. v. Garland*, the merits panel of the U.S. Court of Appeals for the Fifth Circuit on December 26, 2024, vacated the motion panel's December 23, 2024, order that had stayed the preliminary injunction against the Corporate Transparency Act (the "CTA") and its implementing regulations nationwide.^[1]

The December 26 order reinstates the [nationwide pause on the enforcement of the CTA](#), effective immediately, pending further resolution of the case. On December 27, 2024, the Financial Crimes Enforcement Network (FinCEN) [confirmed in a statement](#) that "reporting companies are not *currently* required to file beneficial ownership information with FinCEN." (emphasis added). The complexity of the situation is heightened by the court's expedited briefing schedule, set to conclude on March 25, 2025, although further changes to this timeline cannot be ruled out.

However, the appellate process remains ongoing, and the government is expected to pursue further legal measures for a temporary or permanent removal of the injunction. Court action could come without warning, which may result in the reinstatement of all compliance deadlines, including the [January 13, 2025, deadline](#) for reporting companies created (or, for non-U.S. entities, first registered to do business in the United States) before January 1, 2024.

At this time, we recommend that entities qualifying as "reporting companies" under the CTA proactively prepare to file Beneficial Ownership Information Reports (BOIRs) to ensure compliance in the event the injunction is again stayed or reversed. This preparation entails identifying beneficial ownership and gathering reportable information, as filings might require submission on very short notice if deadlines are reinstated.

We are closely monitoring developments in this case and any related government guidance. Further updates will follow as the litigation evolves.

[Click here](#) for our CTA Resources Page, which includes latest updates and TC's comprehensive memo on the CTA.

[1] No. 24-40792 (5th Cir. Dec. 26, 2024).

authorsTest

nabil

Nabil G. Al-Khaled

barry

Barry L. Fischer