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Further Update: Federal Court Reinstates Corporate Transparency Act – Filing Deadlines Extended Briefly

By Howard Dicker, Adé Heyliger,
Christopher Mulligan, Christopher
Scully, Zack Tripp, Timothy Welch,
David Wohl and John Bradshaw

On December 23, 2024 the United States Court of Appeals for the Fifth Circuit granted the federal government’s effort to put the Corporate Transparency Act (CTA) back into effect nationwide. **The filing deadlines for beneficial ownership information reports have been restored with brief extensions as described in detail below, including a January 13, 2025 (instead of January 1) deadline for reporting companies created before January 1, 2024.**

As we [previously reported](#), on December 3, 2024, a federal district court in Texas issued a nationwide preliminary injunction against the enforcement of the CTA and the Financial Crimes Enforcement Network’s (FinCEN) final rule imposing reporting requirements of beneficial ownership information.

The district court blocked enforcement of the law nationwide, suspending the reporting deadlines. On December 13, the government moved for a stay pending appeal, asking the Fifth Circuit to allow the reporting requirements to go immediately into effect.

The Fifth Circuit has now granted the government’s motion for a stay. Reporting is once again required nationwide, subject to the below modified deadlines.

The Fifth Circuit reasoned that the law likely fit within Congress’s broad power to regulate interstate commerce. The panel reasoned that the law “regulates anonymous ownership and operation of businesses,” which it viewed as a kind of economic activity that Congress can regulate. The panel further reasoned that the district court likely erred in invalidating the law on its face, in all of its applications, even though the law is at least valid if the underlying corporation is involved in “business operations affecting interstate commerce.” The panel also found that the balance of the equities favored the government, because “combatting financial crime and protecting our country’s national security” were weighty interests, whereas “a typical, simple company would spend about ninety minutes (or about \$85 worth of time) to complete and file [the] required report.”

Judge Haynes dissented in part. She would have granted a stay as to the nationwide portion of the injunction, but denied a stay as to the named plaintiffs.

The plaintiffs could potentially ask the full Fifth Circuit for emergency relief, or even the Supreme Court. It is unclear if the plaintiffs will try to do so, particularly given the impending filing deadlines.

Following the 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.
- On December 23, FinCEN issued a statement on its website extending certain reporting deadlines.

Current Reporting Status:

The reporting requirements are back in force nationwide. Absent further action from the courts, filings of beneficial ownership information are required. FinCEN posted an alert on its website announcing extended filing deadlines, 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.
- As indicated in FinCEN's 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.

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 beneficial ownership information to FinCEN. Extensive information regarding the CTA, FinCEN's rules, and filing reports can be located on FinCEN's website [here](#).

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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:

Authors

Howard Dicker (N.Y.)	View Bio	howard.dicker@weil.com	+1 212 310 8858
Adé Heyliger (D.C.)	View Bio	ade.heylinger@weil.com	+1 202 682 7095
Christopher Mulligan (D.C.)	View Bio	christopher.mulligan@weil.com	+1 202 682 7007
Christopher Scully (D.C.)	View Bio	christopher.scully@weil.com	+1 202 682 7119
Zack Tripp (D.C.)	View Bio	zack.tripp@weil.com	+1 202 682 7220
Timothy Welch (D.C.)	View Bio	timothy.welch@weil.com	+1 202 682 7132
David Wohl (N.Y.)	View Bio	david.wohl@weil.com	+1 212 310 8933
John Bradshaw (N.Y.)	View Bio	john.bradshaw@weil.com	+1 212 310 8535

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