



CTA Update 2.0: Nationwide Injunction Reinstated as of December 26, 2024

CTA Working Group

Foster Swift Business & Tax Law News E-blast

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As a full-service law firm, we strive to provide the latest legal news that may impact your business. We are now on our third update of the enforcement of the Corporate Transparency Act (CTA) reporting requirements, just in the month of December, with updates sometimes being days apart.

We previously reported that the Fifth Circuit Court lifted the lower court's nationwide injunction on the enforcement of the reporting requirements of the CTA. Three days later, a different panel of the Fifth Circuit Court, engaged in a complete reversal and reinstated the stay it previously lifted. This new ruling puts the reporting requirements of the CTA back on hold for now pending further order of the Court.

Presently, the Fifth Circuit is scheduled to hear oral arguments on March 25, 2025. While there are no filing requirements as of now, we are monitoring FinCEN for any updates they may post.

Here is a timeline of events as they currently have taken place in the last month:

- December 3 – The U.S. District Court for the State of Texas issues nationwide injunction of the reporting requirements of the CTA.
- December 23 – The Fifth Circuit Court motion panel issues an order staying the nationwide injunction and ordering expedited argument.
- December 23 – Just hours after the ruling, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issues order adjourning the filing deadline for several categories of Reporting Companies until January 13, 2025.
- December 26 – The Fifth Circuit Court merits panel reverses the motion panel's stay and reinstates the nationwide injunction pending oral argument on appeal.

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The CTA Working Group understands that this is a fluid situation with polar opposite decisions coming within days of each other. However, because of the impact of the CTA, as well as the varying decisions in a short period of time, we encourage you to continue monitoring Foster Swift's CTA page for future updates.

If you have any questions, please reach out to a member of Foster Swift's CTA working group.