

# Client Alert

December 2024

## Corporate Transparency Act Compliance in Light of Nationwide Preliminary Injunction

### *FinCEN Temporarily Suspends Reporting Requirement; Voluntary Submissions Accepted*

On December 3, 2024, a federal district court judge in the Eastern District of Texas granted a preliminary injunction that temporarily blocks the Corporate Transparency Act (“CTA”) reporting obligation and the January 1, 2025 reporting deadline for reporting companies that were in existence prior to January 1, 2024. On December 5, 2024, the U.S. Department of Justice (“DOJ”) appealed the district court’s ruling to the U.S. Court of Appeals for the Fifth Circuit.

The U.S. Treasury Department’s Financial Crimes Enforcement Network (“FinCEN”) issued an online [alert](#) regarding CTA compliance obligations at this time. Specifically, FinCEN stated:

While this litigation is ongoing, FinCEN will comply with the order issued by the U.S. District Court for the Eastern District of Texas for as long as it remains in effect. Therefore, reporting companies are not currently required to file their beneficial ownership information with FinCEN and will not be subject to liability if they fail to do so while the preliminary injunction remains in effect. Nevertheless, reporting companies may continue to voluntarily submit beneficial ownership information reports.

FinCEN’s statement confirms that CTA filings known as beneficial ownership information reports (“BOIRs”) are not currently required to be submitted and that the January 1, 2025 reporting deadline for companies in existence prior to January 1, 2024 has been temporarily suspended. However, if the DOJ obtains interim or expedited relief and the injunction is lifted, entities with CTA filing obligations may need to finalize their BOIRs on short notice. Therefore, we continue to recommend that entities

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Investigations

that would otherwise be subject to the CTA obligation complete the work necessary to file a BOIR in case the injunction is lifted or modified.

Please contact the Olshan attorney with whom you regularly work or one of the attorneys below if you would like to discuss further or have questions.

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