

Corporate Transparency Act Reporting Requirements Blocked

On December 26, 2024, the Fifth Circuit vacated its December 23rd order that lifted the United States District Court's nationwide injunction. Accordingly, the nationwide injunction has been reinstated. [Click here for the Fifth Circuit's most recent Order](#). We will keep clients updated on developments.

Norman, Hanson & DeTroy wishes to advise its corporate clients of a December 3, 2024 federal court decision - *Texas Top Cop Shop* - that issued an injunction prohibiting the U.S. Department of the Treasury, FinCEN Division, from enforcing the Corporate Transparency Act (CTA) on a nationwide basis.

The court decision enjoins the enforcement of the entirety of the CTA, including the provisions of the CTA requiring companies formed in the United States during 2024 to submit a BOI report to FinCEN within 90 days of formation or registration, and within a shortened deadline of 30 days after January 1, 2025. We fully expect the government to appeal this decision immediately; however, FinCEN has not issued any official notice or guidance as of the writing of this notice.

Because the injunction is preliminary and not permanent, and because of the high likelihood of appeal, corporate clients of the firm should nonetheless remain prepared to comply with the CTA pending further developments. Other federal courts that have considered the constitutionality of the CTA have upheld the law against legal challenge. In light of these conflicting court decisions, we believe the constitutionality of the CTA will likely be taken up before the U.S. Supreme Court for the final determination.

To minimize the risks to the reporting companies Norman Hanson & DeTroy represents, the firm will proceed as follows:

- For a reporting company for which we *do* currently possess all information to submit a BOIR, we will proceed with that filing;
- For a reporting company for which we *do not* have all of the information from the company needed to submit a BOIR, we will not take any further action to obtain this information from you or file a BOIR unless otherwise directed by the reporting company in writing. We will continue to be available to assist those clients that elect to make a BOIR filing; and
- For a *newly formed reporting company*, we will attempt to collect the information necessary to file a BOIR at the time of formation, but will not file a BOIR unless directed by the reporting company in writing to make this filing.

We will continue to monitor the case and will report on any developments.