BERGER SINGERMAN
FLORIDA'S BUSINESS LAW FIRM

CLIENT ALERT: FIFTH CIRCUIT ORDER BRINGS CLARITY AND NEW DEADLINES FOR CORPORATE TRANSPARENCY ACT COMPLIANCE

December 24, 2024

On December 23, 2024, the United States Court of Appeals for the Fifth Circuit (Court of Appeals) issued an order granting the governments emergency motion for a temporary stay of the recent order and nationwide preliminary injunction against the enforcement of the Corporate Transparency Act (CTA) and the final rule implementing the CTA issued by Judge Mazzant of the U.S. District Court for the Eastern District of Texas in Texas Top Cop Shop, Inc. v. Garland, E.D. Tex., No. 4:24-cv-00478, 12/3/24.

The key takeaways from the Court of Appeals' Order are as follows: (i) the Court of Appeals determined the government has made a compelling case for the likelihood of success in upholding the CTA's constitutionality; and (ii) the CTA compliance obligations are now reinstated, ensuring a consistent regulatory framework. Importantly, the Department of the Treasury has responded proactively by extending CTA reporting deadlines, providing businesses with additional time to meet their obligations:

1. 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).
2. 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.
3. 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.
4. As per our prior Client Alert, reporting companies that qualify for disaster relief may have extended deadlines that fall beyond January 13, 2025. For example, a reporting company formed or registered before January 1, 2024, with a January 1, 2025, initial BOI report filing deadline, and a principal place of business in a qualifying Florida area, now has until July 1, 2025, to submit its initial BOI report. These companies should abide by whichever deadline falls later.

Our attorneys at Berger Singerman are well-versed in CTA compliance and can provide guidance on navigating these changes, ensuring your compliance efforts are efficient, effective, and aligned with best practices. Existing CTA clients of Berger Singerman should reach out to our CTA Task Force at info@bergersingerman.com with any questions or for further assistance as we navigate this evolving regulatory landscape together. Companies that are not existing CTA clients of Berger Singerman can reach out to our CTA Task Force at info@bergersingerman.com to discuss potentially engaging us to assist with CTA compliance matters.

This Client Alert is intended to be a general summary of the law and does not constitute legal advice. You should consult with counsel to determine applicable legal requirements in a specific fact situation.

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