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NEWSLETTER

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CORPORATE TRANSPARENCY ACT -----UPDATE-----

On December 23, 2024, the Fifth Circuit Court of Appeals issued an order staying the enforcement of a nationwide injunction pertaining to the Corporate Transparency Act (CTA) and its implementing regulations. As many of our readers will recall, the CTA obligates corporate entities formed or registered to do business in the United States to register with US Treasury's FinCEN unit and disclose their beneficial owners.

In granting the stay, the Fifth Circuit noted the likelihood of the Government's success on the merits in defending the CTA's constitutionality under the Commerce Clause and emphasized the public interest "in combatting financial crime and protecting our country's national security." The Fifth Circuit also ordered an expedited review of the Government's pending appeal with its next-available oral argument panel.

Following issuance of the stay, FinCEN posted a notice informing that, with a few exceptions, most existing companies now have until January 13, 2025 to fulfill their BOI reporting obligations and companies formed/registered on or after January 1, 2025 still have just 30 calendar days from actual or public notice of the company's creation/registration to file their reports. (www.fincen.gov/boi).

KEY TAKEAWAYS: New Registration Deadline: January 13, 2025.