

# BUSINESS AND TRANSACTIONS

## INFORMATION MEMO

DECEMBER 6, 2024

### Federal Court Issues Nationwide Preliminary Injunction Suspending Reporting Obligations Under the Corporate Transparency Act

On Dec. 3, 2024, the U.S. District Court for the Eastern District of Texas issued an Order granting a nationwide preliminary injunction temporarily suspending the enforcement of the Corporate Transparency Act (CTA). Unlike the previous injunction issued by the Northern District of Alabama in March 2024, this injunction is nationwide and applies to all reporting companies.

In its decision, the Court stated that there was substantial likelihood that the plaintiffs would prevail on the merits of their claim that the CTA is unconstitutional and, therefore, a preliminary injunction was necessary to prevent irreparable harm until the Court makes a final decision. More specifically, the Court ruled that “reporting companies need not comply with the CTA’s Jan. 1, 2025, [beneficial ownership information] reporting deadline pending further order of the Court.”

Although the U.S. Department of Justice and FinCEN may appeal the Order or seek to have the injunction stayed, for as long as the injunction remains in effect, reporting companies are not required to comply with CTA filing requirements, which means that they are not required to make any filings at this time, including any filings required to be made prior to the upcoming Jan. 1, 2025 reporting deadline.

Reporting companies should stay informed about future developments in this case. In the event that the injunction is lifted and the filing requirements are reinstated, it is unclear whether FinCEN will extend the filing timelines. Therefore, despite the injunction, it may be prudent for reporting companies to continue compiling and preparing their beneficial ownership information. It is also important to note that, as of today’s date, FinCEN is still accepting Beneficial Ownership Information Reports, so reporting companies may, if they so choose, continue to file beneficial ownership reports.

We encourage you to contact an attorney in Bond’s [business and transactions practice](#) or the Bond attorney with whom you are regularly in contact to determine how this ruling impacts your business.

