

# Client Alert: Court Reverses Ruling on Corporate Transparency Act: BOI Requirements on Hold

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### UPDATE: DECEMBER 27, 2024: CORPORATE TRANSPARENCY ACT ON HOLD

On December 26, 2024, the Fifth Circuit Court of Appeals overturned its recent decision, reinstating a nationwide injunction against the enforcement of the Corporate Transparency Act (CTA) and its Beneficial Ownership Information (BOI) reporting mandates. Consequently, the obligation to file BOI reports with the Financial Crimes Enforcement Network (FinCEN) is currently suspended and voluntary until further notice. FinCEN has not issued an official statement regarding this development.

**Next Steps:** Businesses are advised to continue preparing the required information for potential future filings, pending further updates on the reporting requirements. We will continue to closely monitor communications from FinCEN for any new developments.

For further inquiries or assistance, please contact [Jill Braunstein](#) or [Vivian Breier](#), or reach out to any of our [Corporate Attorneys](#) at [corporate.department@abramslaw.com](mailto:corporate.department@abramslaw.com) or 516-328-2300.

**Previous Update:**

## **Date: December 24, 2024**

On December 23, 2024, the Fifth Circuit Court of Appeals issued a ruling lifting the nationwide injunction that had previously suspended enforcement of the Corporate Transparency Act (CTA) and its Beneficial Ownership Information (BOI) reporting requirements. As a result, filing of BOI reports with the Financial Crimes Enforcement Network (FinCEN) is once again mandatory for all non-exempt reporting companies.

## **CTA Overview: What is Required**

The CTA mandates that certain business entities disclose their beneficial ownership information to FinCEN. Non-exempt reporting companies are required to file a BOI report, which includes the name, address, date of birth, and identifying number (i.e. passport or driver's license number) of each beneficial owner.

## **What This Update Means for Reporting Companies**

**Reinstated Enforcement:** With the injunction now lifted, enforcement of the CTA is back in effect. Non-exempt reporting companies must comply with the BOI filing requirements immediately.

**Deadline Extension:** Due to the temporary injunction, FinCEN has extended the deadline for compliance. Non-exempt reporting companies that were in existence prior to January 1, 2024, now have until January 13, 2025 (instead of January 1, 2025) to file their initial BOI report.

**Companies Created After September 4, 2024:** Reporting companies formed on or after September 4, 2024, whose filing deadlines were affected by the temporary injunction, also have until January 13, 2025 to submit their initial BOI filings.

**Additional Filing Extensions:** Companies that were formed during the temporary injunction period (December 3, 2024 – December 23, 2024) have 21 additional days from their original filing deadlines to comply with the BOI reporting requirements.

## **Next Steps for Reporting Companies**

**Deadline Reminder:** Companies that have not yet filed their BOI report must submit it by January 13, 2025, in order to remain compliant with the CTA.

**Additional Information:** Exemptions, extensions, and further details about the filing process can be found on the FinCEN BOI homepage at [www.fincen.gov/boi](http://www.fincen.gov/boi).

## **Need Assistance?**

For any assistance or questions with your BOI filing or compliance under the CTA, please contact [Jill Braunstein](#), [Vivian Breier](#), or reach out to our Corporate Department at 516-328-2300.