Corporate Law Update

December 2024

Following Reinstatement of CTA Filing Requirement, FinCEN Extends Deadline for Many (But Not All) Entities

Following our December 23 client update, FinCEN posted an update to its website late that night that includes certain Corporate Transparency Act (CTA) filing deadline extensions. You may see separate reporting that the new CTA deadline is January 13, 2025. While that will be true for the majority of entities (see the first bullet point below), that is not the deadline for all entities. The date an entity was created or registered still dictates the filing deadline. Here's a quick summary of the revised filing deadlines from FinCEN:

Date an Entity Was Created/Registered in the United States	Original CTA Filing Deadline	New Deadline from FinCEN
Prior to January 1, 2024	January 1, 2025	January 13, 2025
January 1 – September 3, 2024	March 31 – December 2, 2024 (90 days after creation/registration, deadline passed)	No Change to Original
September 4-24, 2024	December 3-23, 2024	January 13, 2025
September 25 – December 2, 2024	December 24, 2024 – March 2, 2025	No Change to Original
December 3-23, 2024	March 3-23, 2025	March 24 – April 13, 2025 (111 days after creation/registration)
December 24-31, 2024	March 24-31, 2025 (90 days after creation/registration)	No Change to Original
January 1, 2025 and forward	January 31, 2025 and forward (30 days after creation/registration)	No Change to Original

The following is the full text of the FinCEN update:

> "In light of a December 23, 2024, federal Court of Appeals decision, ***reporting companies, except as indicated below, are once again required to file beneficial ownership information with FinCEN***. However, because the Department of the Treasury recognizes that reporting companies may need additional time to comply given the period when the preliminary injunction had been in effect, we have extended the reporting deadline as follows:

- 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.)
- 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.

- 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.
- Reporting companies that qualify for disaster relief may have extended deadlines that fall beyond January 13, 2025. These companies should abide by whichever deadline falls later.
- Reporting companies that are created or registered in the United States on or after January 1, 2025 have 30 days to file their initial beneficial ownership information reports with FinCEN after receiving actual or public notice that their creation or registration is effective.
- As indicated in the alert titled "Notice Regarding National Small Business United v. Yellen, No. 5:22-cv-01448 (N.D. Ala.)," Plaintiffs in *National Small Business United v. Yellen*, No. 5:22-cv-01448 (N.D. Ala.)—namely, Isaac Winkles, reporting companies for which Isaac Winkles is the beneficial owner or applicant, the National Small Business Association, and members of the National Small Business Association (as of March 1, 2024)—are not currently required to report their beneficial ownership information to FinCEN at this time.

On Tuesday, December 3, 2024, in the case of *Texas Top Cop Shop, Inc., et al. v. Garland, et al.,* No. 4:24-cv-00478 (E.D. Tex.), the U.S. District Court for the Eastern District of Texas, Sherman Division, issued an order granting a nationwide preliminary injunction. On December 23, 2024, the U.S. Court of Appeals for the Fifth Circuit granted a stay of the district court's preliminary injunction enjoining the Corporate Transparency Act (CTA) entered in the case of *Texas Top Cop Shop, Inc. v. Garland*, pending the outcome of the Department of the Treasury's ongoing appeal of the district court's order. *Texas Top Cop Shop* is only one of several cases that have challenged the CTA pending before courts around the country. Several district courts have denied requests to enjoin the CTA, ruling in favor of the Department of the Treasury. The government continues to believe—consistent with the conclusions of the U.S. District Courts for the Eastern District of Virginia and the District of Oregon—that the CTA is constitutional. For that reason, the Department of Justice, on behalf of the Department of the Treasury, filed a Notice of Appeal on December 5, 2024 and separately sought of stay of the injunction pending that appeal with the district court and the U.S. Court of Appeals for the Fifth Circuit."

FOR MORE INFORMATION

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