

# PUBLICATION

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## Fifth Circuit Reinstates CTA Injunction – Enforcement Paused Once Again

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The *merits panel* of the U.S. Court of Appeals for the Fifth Circuit issued a ruling on December 26, 2024, vacating the stay of the nationwide injunction issued by the U.S. District Court for the Eastern District of Texas enjoining enforcement of the Corporate Transparency Act (CTA) previously granted by the Fifth Circuit's *motion panel*. This ruling has the effect of putting the nationwide injunction back in place. As a result, the deadlines for filing beneficial ownership information (BOI) reports imposed by the Financial Crimes Enforcement Network (FinCEN) are now enjoined and cannot currently be enforced.

### Background

As outlined in a previous alert, "[Fifth Circuit Reinstates January 1 CTA Filing Deadline](#)," on December 23, 2024, the Fifth Circuit issued a stay of the District Court's preliminary injunction. This allowed FinCEN to enforce the BOI reporting requirements under the CTA. Following that decision, FinCEN released guidance requiring reporting companies to comply with revised CTA filing deadlines.

However, the Fifth Circuit's merits panel has now vacated the stay, reinstating the District Court's preliminary injunction. This injunction prohibits FinCEN from enforcing any BOI reporting deadlines under the CTA.

### Implications for Reporting Companies

The Fifth Circuit's decision to vacate the stay effectively enjoins FinCEN from enforcing any of the deadlines listed in its guidance published on December 23, 2024.

### Next Steps

The Fifth Circuit's decision introduces significant uncertainty regarding the future enforcement of the CTA's BOI reporting requirements. The Fifth Circuit will hear oral arguments on the merits of the injunction on March 25, 2025, following which we should have more clarity.

Pending further court rulings or FinCEN guidance, reporting companies are not obligated to file BOI reports pursuant to the enjoined deadlines.

However, companies should remain prepared for potential future compliance obligations. Since the District Court's injunction on December 3, 2024, hundreds of thousands of companies have continued to file their BOI reports with FinCEN. Companies still have the option to file with FinCEN. But if companies do not want to file at this time, it would be prudent to:

1. Continue monitoring ongoing litigation and updates from the courts and FinCEN;
2. Maintain accurate and up-to-date beneficial ownership records in anticipation of future reporting requirements; and
3. Consult legal counsel to address any concerns or questions regarding compliance.

### Contact Us

If you have questions or concerns about how this ruling affects your compliance obligations under the CTA or other regulatory requirements, please contact [Jake Farrar](#), [Lucas Lopez](#), or any member of Baker Donelson's [Business and Corporate](#) team.