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Corporate Transparency Act Update #4: Compliance Is Again Required

We have continued to monitor developments with the constitutionality of the Corporate Transparency Act (“CTA”). In late December, the U.S. Court of Appeals for the Fifth Circuit kept the injunction of the CTA in place, while that court considered the constitutionality of the CTA. However, the federal government appealed this decision and on January 23, 2025, the U.S. Supreme Court lifted the injunction in that particular case. Compliance with the CTA remained on hold following that decision, however, as a nationwide injunction had been issued in a separate case by a federal judge in the Eastern District of Texas on January 7, 2025.

In light of the U.S. Supreme Court’s decision the injunction issued in that separate case has now been dissolved and, as such, compliance with the reporting requirements of the CTA is now again required. FinCEN extended the time period for reporting until March 21, 2025 (though FinCEN did note on its website that it may modify this deadline in the future as it recognizes that reporting companies may need additional time to comply). While the constitutionality of the CTA is still being considered by the U.S. Court of Appeals for the Fifth Circuit, oral arguments in that case are currently scheduled for March 25, 2025, which falls after the current deadline. Accordingly, it would be

our suggestion that reporting companies should prepare and plan to report their beneficial owners on or before the March 21, 2025 deadline, in order to avoid any penalties or consequences that could arise from noncompliance with the CTA. Details on reporting requirements can be found [here](#) in our initial CTA alert.

We will continue to monitor and provide any updates about the CTA and compliance therewith.

If you have any questions about the CTA reporting process or whether your company needs to comply with same, please feel free to contact us and we can provide all necessary assistance.

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