

FinCEN Seeks Stay of Corporate Transparency Act Preliminary Injunction

December 13, 2024

As noted in our previous [Client Alert](#), on December 3, 2024, the U.S. District Court for the Eastern District of Texas issued a nationwide preliminary injunction that temporarily blocks enforcement of the Corporate Transparency Act (“CTA”) and the U.S. Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”) related beneficial ownership information (“BOI”) reporting rules.

Update as of December 13, 2024

On December 12, 2024, the government filed a motion to stay the preliminary injunction pending its appeal. The plaintiffs were ordered to respond to the government’s motion to stay the preliminary injunction by December 16, 2024. It is unclear how quickly the district court will rule on that motion.

In response to the injunction, FinCEN has confirmed that reporting companies are not currently required to file BOI with FinCEN and are not subject to liability if they fail to do so while the injunction remains in effect. FinCEN also stated that reporting companies may continue to voluntarily submit BOI notwithstanding the injunction. The government’s motion to stay the preliminary injunction appears to demonstrate the government’s resolve to preserve the January 1, 2025, reporting deadline. Companies potentially subject to BOI reporting should keep this in mind while they continue their preparation to comply with the CTA’s reporting requirements.

We are closely monitoring developments in the case and will continue to provide updates on any changes to the legal landscape.

For More Information

We are available at any time to answer questions, discuss scenarios, and provide guidance. If you would like further information concerning the matters discussed in this article, please contact a member of the Corporate and Securities Department or visit us online at chapman.com.

Scott Anderson
Partner
312.845.3834
scanders@chapman.com

Jim Audette
Partner
312.845.3421
audette@chapman.com

Bob Criswell
Partner
312.845.3463
criswell@chapman.com

Bill Hermann
Partner
312.845.3895
whermann@chapman.com

Joe Lombardo
Partner
312.845.3428
lombardo@chapman.com

John Martin
Partner
312.845.3474
jjmartin@chapman.com

Rebecca Wallenfelsz
Partner
312.845.3442
wallen@chapman.com

Brian Coughlin
Associate
312.845.3722
bcoughlin@chapman.com

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