

# Locke Lord QuickStudy: 5th Circuit Lifts Nationwide Preliminary Injunction Against Enforcement of CTA

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On December 23, 2024, the United States 5<sup>th</sup> Circuit Court of Appeals granted the government's motion for a "stay pending appeal"<sup>[1]</sup> of the *Texas Top Cop Shop, Inc. v. Garland* preliminary injunction prohibiting enforcement by FinCEN of the CTA.<sup>[2]</sup> The Court of Appeals found, among other things, that the CTA "was within [Congress'] commerce power".<sup>[3]</sup>

The Court of Appeals decision and order effectively reinstated the beneficial ownership information reporting (BOI) deadlines under the CTA and its regulations, including the January 1, 2025 deadline for filings by non-exempt reporting companies existing prior to January 1, 2024. The 5<sup>th</sup> Circuit ordered that the appeal be expedited "to the next available oral argument panel."

Shortly after the 5<sup>th</sup> Circuits' decision and order, FinCEN issued an Alert<sup>[4]</sup> discussing the 5<sup>th</sup> Circuit's decision and order and announcing the extension of the January 1, 2025 deadline for filing certain initial CTA Beneficial Ownership Reports to January 13, 2025.

The Alert included a number of other extensions and important deadlines for CTA BOI reporting, including a reminder that as of January 1, 2025, all newly formed entities that are not exempt under the CTA and existing Regulations only have 30 days from the date of formation to make their initial BOI Reports.

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<sup>[1]</sup> Texas Top Cop Shop, Inc. v. Merrick Garland, U.S. Attorney General, et al . 5<sup>th</sup>Cir. No. 24-40792

<sup>[2]</sup> Texas Top Cop Shop, Inc. v. Merrick Garland, U.S. Attorney General, et al . USDC ED TX, No. 4:24-CV-478.

<sup>[3]</sup> Texas Top Cop Shop, Inc. v. Merrick Garland, U.S. Attorney General, et al . 5<sup>th</sup>Cir. No. 24-40792., at pg. 4.

<sup>[4]</sup> <https://www.fincen.gov/boi>

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