

December 5, 2024 | Insights

Enforcement of Corporate Transparency Act Halted by District Court

By: Kayla Perry

On December 3, 2024, the U.S. District Court for the Eastern District of Texas issued a nationwide preliminary injunction against the enforcement of the Corporate Transparency Act (CTA).

The CTA went into effect earlier this year and requires many small and mid-sized businesses to report certain personal information about their beneficial owners to the Financial Crimes Enforcement Network (FinCEN). Judge Mazzant concluded the CTA is likely unconstitutional in that it exceeds Congress's constitutional authority and issued an order temporarily halting this reporting requirement nationwide.

While businesses are not currently required to make any filings under the CTA, it is anticipated that this will be appealed to the Fifth Circuit Court of Appeals, and the outcome remains uncertain. Rich May is recommending not to make any filings while the injunction is in effect. However, we are available to assist any businesses that have not yet made their filings and wish to remain proactive and continue to prepare the information and forms necessary to make their filings to FinCEN if and when the injunction is lifted.

Disclaimer: This summary is provided for educational and informational purposes only and is not legal advice. Any specific questions about these topics should be directed to [Kayla Perry](#).

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