

Market Perspectives - Court Reinstates Filing Obligations

December 2024



COURT REINSTATES FILING OBLIGATIONS UNDER CORPORATE TRANSPARENCY ACT

On December 23, 2024, the Fifth Circuit Court of Appeals reinstated the filing obligations under the Corporate Transparency Act (“CTA”) that require certain corporations, LLCs, limited partnerships, and other similar entities (“Reporting Entities”) to disclose their “beneficial ownership” information to the Financial Crimes Enforcement Network (“FinCEN”).

The Fifth Circuit’s decision lifted the preliminary injunction issued earlier this month by the U.S. District Court for the Eastern District of Texas that had temporarily suspended the filing obligations under the CTA.

The Fifth Circuit’s decision is not the end of the story as several cases related to the CTA continue to work their way through the court system. However, the decision does mean that those Reporting Entities that delayed their required filings under the CTA because of the preliminary injunction are now required to submit their beneficial ownership filings to FinCEN.

Given the timing of the Fifth Circuit’s decision, FinCEN announced that it has extended the deadlines for filings under the CTA as follows:

Date Covered Entity Was Created or Registered	Deadline for Filing Beneficial Owner Report with FinCEN
Prior to January 1, 2024	January 13, 2025
On or after September 4, 2024 but no later than December 3, 2024	January 13, 2025
On or after December 3, 2024 but no later than December 23, 2024	Additional 21 days from their original filing deadline (which original dead-line was 90 days after the entity was created or registered)
On or after January 1, 2025	30 days after the entity was created or registered

Reporting companies that qualify for disaster relief may have extended deadlines that fall beyond January 13, 2025. Those entities should abide by whichever deadline falls later.

If you have any questions about how the CTA may affect you, please reach out to your Turtle Creek team. We will continue to keep you informed as future updates arise.

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