BOI reporting – what a mess! Here's the latest news.

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The nationwide injunction on beneficial ownership information (BOI) reporting that was lifted on December 23, 2024, appears to be back in place as of December 26, 2024.

Our recommendation remains that reporting companies be prepared to do their BOI reporting before December 31, 2024, so that the companies can comply with the law on a moment's notice.

Here is a brief recap of the events of this month.

Recall that the Corporate Transparency Act ("CTA") and its implementing regulations, require certain business entities to report stakeholder information to the Treasury Department's agency called FinCEN. The CTA, enacted as an anti-money laundering measure, required reporting entities that existed before 2024 to disclose the identities of their beneficial owners—individuals who own or control the business—by Jan. 1, 2025.

- On Tuesday, December 3, 2024, in a case called *Texas Top Cop Shop, Inc. v. Garland*, a federal judge in the Eastern District of Texas issued a "nationwide" injunction saying beneficial ownership information reports did not have to be filed until the issues in the case were decided.
- On Monday, December 23, 2024, a panel of judges from the Fifth Circuit Court of Appeals struck down the nationwide injunction, which meant that reporting companies once again had to file BOI reports. FinCEN issued an alert extending the deadline for reporting by about two weeks.

Now, a *different* panel of judges from the Fifth Circuit Court of Appeals reinstated the nationwide injunction, through an order issued yesterday, December 26, 2024. This panel will consider the constitutionality of the CTA, and it's ruling appears to supersede the ruling of December 23, 2024. Thus, once again, it seems BOI reporting is **not** required by January 1, 2025.

Our recommendation remains that reporting companies be prepared to do their BOI reporting before December 31, 2024, so that the companies can comply with the law on a moment's notice. There is a chance that the government will seek emergency relief from the U.S. Supreme Court and a ruling could be issued before year-end.

Where can I find more information?

For more information about BOI reporting and access to guidance issued by FinCEN, you can refer to our previous article on the topic here:

What is "Beneficial Ownership Information" reporting, and why do I care?