

Anti-Money Laundering

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Déjà Vu All Over Again: Fifth Circuit Vacates Its Own Stay; CTA Compliance Is Now Optional Once Again (for Now)

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In a surprise ruling, yesterday the Fifth Circuit Court of Appeals vacated its own stay of the Eastern District of Texas' Dec. 3 nationwide preliminary injunction enjoining enforcement of the Corporate Transparency Act (CTA).¹ On Dec. 23, that Dec. 3 preliminary injunction was stayed by a unanimous motions panel of the Fifth Circuit, which also ordered an expedited appeal to the next available oral argument panel.² Subsequently, the matter was transferred to the merits panel of the Fifth Circuit, which decided to vacate the stay of the preliminary injunction "in order to preserve the constitutional status quo while the merits panel considers the parties' weighty substantive arguments."³

We anticipate that FinCEN soon will update its CTA website⁴ to advise that the compliance with the CTA's reporting requirements is once again optional and that the revised compliance deadlines are no longer in effect.

Lowenstein Sandler continues to monitor the legal landscape surrounding the CTA. For more information on the CTA and assistance with regulatory compliance, please contact the authors of this article or LSAMLCTA@lowenstein.com.

¹ *Texas Top Cop Shop, Inc. v. Garland*, No. 24-40792, Dkt. No. 160 (5th Cir. Dec. 26, 2024), unpublished order.

² *Texas Top Cop Shop, Inc. v. Garland*, No. 24-40792, Dkt. No. 140 (5th Cir. Dec. 23, 2024), unpublished order. See the original case and resulting injunction at *Texas Top Cop Shop, Inc. v. Garland*, 4:24-cv-00478 (ALM), Dkt. No. 30 (E.D. Tex. Dec. 3, 2024). See also [our December 24 client alert](#).

³ *Texas Top Cop Shop, Inc. v. Garland*, No. 24-40792, Dkt. No. 160 (5th Cir. Dec. 26, 2024), unpublished order.

⁴ <https://www.fincen.gov/boi>.

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