

# Federal Court Blocks Enforcement of Corporate Transparency Act

With the January 1, 2025, filing deadline less than a month away, a Texas federal court issued a nationwide preliminary injunction against enforcement of the Corporate Transparency Act (CTA) on December 3, 2024.

The court held that the CTA and its reporting requirements are likely unconstitutional and that its enforcement could seriously harm the estimated 32.6 million companies subject to the CTA's beneficial owner-reporting obligations.

The injunction is a temporary measure, and the government may take steps to appeal the court's decision. The ruling will not be permanent until the case is decided and only if the court finds the CTA unconstitutional and issues a permanent injunction.

For now, reporting companies may consider the January 1 deadline to be temporarily suspended until another federal court overrules or narrows the Texas court's injunction, in which case the January 1 deadline could be reinstated and reporting companies would need to act quickly to comply.

Reporting companies should stay tuned for updates from their advisors on further developments. For questions about what the Texas ruling means for you and your business entities, please contact [Laura McKinney](#) or your relationship attorney.