

Corporate Transparency Act: Enforcement Halted Pending Further Court Developments

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by Christopher L. Doerksen

Canadian companies with U.S. subsidiaries have been gearing up all year to file beneficial ownership reports with FinCEN pursuant to the Corporate Transparency Act, in advance of a January 1, 2025 deadline for entities that were formed prior to 2024. Many have already completed their analysis and either determined that they qualify for an exemption or filed their initial beneficial ownership reports.

On December 3, 2024, the U.S. District Court for the Eastern District of Texas issued a nationwide preliminary injunction against enforcement of the January 1, 2025 deadline. More information is available [here](#). Companies that have not yet filed their initial beneficial ownership reports, and that are not exempt, now have a choice to make – they can either make the filing or continue monitoring developments and be ready to file should the injunction be lifted upon appeal.

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