

## Corporate Transparency Act – Supreme Court Weighs In

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*Business Department Alert*

1.24.25

December was a busy month of back-and-forth, on again and off again, for the Corporate Transparency Act's ("CTA") beneficial ownership information reporting requirements. On Thursday, January 23, 2025, the Supreme Court weighed in by issuing a stay of the nationwide preliminary injunction that prevented enforcement of the CTA by the federal government. Today, January 24, 2025, FinCEN issued an instructive notice on its website, stating:

On January 23, 2025, the Supreme Court granted the government's motion to stay a nationwide injunction issued by a federal judge in Texas (*Texas Top Cop Shop, Inc. v. McHenry*—formerly, *Texas Top Cop Shop v. Garland*). As a separate nationwide order issued by a different federal judge in Texas (*Smith v. U.S. Department of the Treasury*) still remains in place, reporting companies are not currently required to file beneficial ownership information with FinCEN despite the Supreme Court's action in *Texas Top Cop Shop*. Reporting companies also are not subject to liability if they fail to file this information while the *Smith* order remains in force. However, reporting companies may continue to voluntarily submit beneficial ownership information reports.

(*Emphasis added*). The Supreme Court's stay of the preliminary injunction will continue until the Fifth Circuit Court of Appeals decides the CTA's constitutionality – and could be extended depending upon a further appeal of that ultimate decision. The Fifth Circuit has scheduled argument for March 25, 2025. For any questions regarding the CTA, please contact your White and Williams LLP attorney or the authors: Christopher F. Graham, Partner, 212.714.3066, grahamc@whiteandwilliams.com; Morgan A. Goldstein, Associate, 475.977.8302, goldsteina@whiteandwilliams.com; Sofia Villalobos Vega, Associate, 215.864.6390, vegas@whiteandwilliams.com.

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