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# Update Memo: The CTA Remains Suspended Despite an Interim Ruling by the Supreme Court

During the month of January there have been surprising developments in litigation about the Corporate Transparency Act (“CTA”). As of now, despite several twists and turns, the CTA remains suspended and there is no obligation to submit CTA filings.

Readers may recall that a U.S. District Court entered an injunction against the CTA on December 3, 2024. This injunction was addressed in two rulings by the Fifth Circuit Court of Appeals, and one ruling by the Supreme Court. These rulings do not have force at this time, however, because a second U.S. District Court entered a separate order suspending the CTA on January 7, 2025. FinCEN (now under the new President) is accepting this second order.

FinCEN posted the following notice on January 24:

*In light of a recent federal court order, reporting companies are not currently required to file beneficial ownership information with FinCEN and are not subject to liability if they fail to do so while the order remains in force. However, reporting companies may continue to voluntarily submit beneficial ownership information reports.*

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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.

Please reach out to your regular contact at Choate if you have questions.

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