

U.S. Supreme Court Lifts Injunction – But CTA Filings Still Not Required

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On Jan. 23, 2025, the Supreme Court of the United States granted the Department of Justice's application for stay of the nationwide injunction that was issued by the District Court for the Eastern District of Texas on Dec. 5, 2024.¹ However, FinCEN announced the next day that reporting companies are not currently required to file beneficial ownership information reports because of an order from a separate district court case in the Eastern District of Texas, which stayed the effective date of the CTA's reporting rules.²

Reporting companies are not subject to liability if they decline to file reports while the *Smith* order remains in force. However, FinCEN has indicated reporting companies may continue to voluntarily submit beneficial ownership information reports.

The government has not yet appealed the *Smith* order but could file an appeal and a motion asking the Fifth Circuit to vacate the district court's stay, given the U.S. Supreme Court's decision. If that motion is granted, the CTA and its beneficial ownership reporting obligations will be back in effect.

While the future of the CTA continues to be in flux in the courts, there have also been legislative developments. On Jan. 15, 2025, Rep. Warren Davidson (R-OH) and Sen. Tommy Tuberville (R-AL) re-introduced the [Repealing Big Brother Overreach Act](#), which would repeal the CTA entirely.

For additional background on the CTA, please see our overview of the Corporate Transparency Act [here](#) or reach out to any of the individuals listed below.

¹ *Texas Top Cop Shop, Inc. v. McHenry* (formerly *Texas Top Cop Shop v. Garland*).

² *Smith v. U.S. Department of the Treasury*