

Practice Update

# The U.S. Supreme Court Lifts Stay of Enforcement of the Corporate Transparency Act Yet Reporting Requirements Remain Voluntary

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On January 23, 2025, the Supreme Court of the United States (SCOTUS) lifted the nationwide injunction imposed by the District Court for the Eastern District of Texas in the case of *Texas Top Cop Shop, Inc. v. Garland* (Top Cop Case).[1]

SCOTUS's decision allows the Financial Crimes Enforcement Network (FinCEN) to enforce the Corporate Transparency Act (CTA)[2] until a decision is issued by the United States Court of Appeals for the Fifth Circuit in the U.S. Government's appeal of the Texas District Court's order in the Top Cop Case, which is scheduled to be heard on March 25, 2025, and until SCOTUS' ruling in any appeal of the Fifth Circuit's decision.[3]

However, FinCEN posted on its BOI [Beneficial Ownership Information Homepage](#) on January 24, 2025, that because the separate nationwide injunction order issued by a different federal judge in Texas in the case of *Smith v. U.S. Department of the Treasury* (the Smith Order)[4] still remains in place, Reporting Companies are not currently required to file beneficial ownership information with FinCEN despite the Supreme Court's action in the Top Cop Case. FinCEN also explained that

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Reporting Companies are not subject to liability if they fail to file BOI reports while the Smith Order remains in force, but they may voluntarily submit BOI reports.

All Reporting Companies should continue to monitor the decisions by the Eleventh Circuit and Fifth Circuit and should compile applicable information and be ready to file a BOI report with FinCEN, if those decisions or subsequent SCOTUS decisions find the CTA constitutional.

For Reporting Companies that have voluntarily filed a BOI report with FinCEN, updates to any information that has been reported to FinCEN should be made within 30 days of the date the change occurs.

For questions regarding whether the CTA applies to your company or regarding the BOI reporting requirements, please contact your Akerman lawyer.

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[1] *Texas Top Cop Shop, Inc., et al v. Garland et al.* 4:24-cv-00478 (E. D. Tex. 2024). The case was brought by businesses and an individual against FinCEN, to enjoin enforcement of the CTA claiming the CTA was unconstitutional.

[2] The CTA can be found at 31 U.S.C. § 5336 and the Treasury Department regulations at 31 C.F.R. § 1010.380. The CTA requires all domestic companies and registered foreign companies (Reporting Companies) to report their beneficial ownership information (BOI) to FinCEN, unless exempt from the reporting requirements.

[3] Currently pending a decision on the constitutionality of the CTA is the Eleventh Circuit Court of Appeals case of *National Small Business United v. Department of the Treasury*, Case 24:10736 (11th Circuit Court of Appeals), appeal from *National Small Business United v. Yellen*, No. 5:22-cv-01448 (N.D. Ala.) (March 11, 2024). A decision in the

Eleventh Circuit is expected prior to a decision in the Fifth Circuit case.

[4] *Smith v. United States Department of The Treasury*, 6:2024-cv-00336 (E.D. Tex. 2025). The case was brought by individuals against FinCEN, challenging the constitutionality of the CTA and the Reporting Rule.

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