Corporate Transparency Act Reporting Remains by Voluntary Submission Only

January 24, 2025

Notwithstanding recent developments that might suggest otherwise, companies are still not obligated to report beneficial ownership details under the Corporate Transparency Act.

On January 23, 2025, the Supreme Court granted the government's motion to stay the injunction issued by a Texas federal judge in *Texas Top Cop Shop, Inc. v. McHenry*-formerly, *Texas Top Cop Shop v. Garland*. The injunction had prevented enforcement of the reporting rule, and the stay of the injunction would have put the rule back into effect.

However, on January 7, 2025, in a separate case also filed in Texas (*Smith v. U.S. Department of the Treasury)*, a different district judge granted a stay of the effective date of the reporting rule while that lawsuit is pending. Therefore, the reporting rule remains unenforceable, even with the Supreme Court's decision.

FinCEN has published the following notice on its website here.

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.

Additional updates will be provided as further information is known.