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CTA Remains on Hold Despite Supreme Court Ruling

The Corporate Transparency Act (CTA) remains on hold despite a recent Supreme Court ruling. On January 23, 2025, the Supreme Court granted the government's motion to stay a nationwide injunction that had been issued by a federal judge in Texas in December 2024 (*Texas Top Cop Shop, Inc. v. McHenry*—formerly, *Texas Top Cop Shop v. Garland*). However, a different federal judge in Texas in the case *Smith v. U.S. Department of the Treasury* had also issued a nationwide injunction prohibiting enforcement of the CTA on January 7, 2025. The recent Supreme Court ruling did not directly address the injunction in the *Smith* case. Therefore, that injunction remains in place. The FinCEN website states that "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."

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