

January 24, 2025

## **CLIENT ALERT**

### **Corporate Transparency Act: Reporting Requirements Still on Hold Despite Supreme Court Ruling**

Dear Clients and Friends:

On January 23, 2025, the United States Supreme Court issued a stay of the preliminary injunction enjoining enforcement of the Corporate Transparency Act (the “CTA”) and the reporting requirements thereunder that was issued back in December by a federal court in Texas in connection with one of the pending cases challenging the constitutionality of the CTA (*Texas Top Cop Shop, Inc. v. McHenry* - formerly, *Texas Top Cop Shop v. Garland*). Despite that Supreme Court ruling, FinCEN has confirmed that because a separate nationwide order enjoining enforcement of the CTA, which was issued by a different federal judge in Texas in connection with a different pending case regarding the CTA (*Smith v. U.S. Department of the Treasury*, dated January 7, 2025), still remains in place, reporting companies are not currently required to comply with the CTA or file Beneficial Ownership Information Reports (“BOI Reports”).

The *Smith* case may be appealed and there is still no way to predict how the Fifth Circuit will ultimately rule on the merits of the *Texas Top Cop Shop* case. But **for now**, the status quo remains despite yesterday’s Supreme Court ruling. As FinCEN has confirmed (see the most recent alert available here: <https://fincen.gov/boi>), Reporting Companies are currently not required to file BOI Reports and are not subject to liability for failing to do so unless and until there is further action by the courts or Congress.

Please contact your HH&K Attorney with any questions. We will continue to keep you apprised of any further updates regarding these matters.

This Client Alert is not a substitute for legal guidance regarding program details and how those may be applicable to your business. As always, if we can be of assistance with these programs or any other matters, please do not hesitate to contact your HH&K attorney.

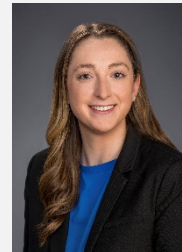
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