



Supreme Court and FinCEN Allows Voluntary CTA Reports

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UPDATE as of February 1, 2025:

On January 23, 2025, the United States Supreme Court granted the Government's request to stay the nationwide injunction on the enforcement of the Corporate Transparency Act (CTA) issued by the United States District Court for the Eastern District of Texas, Sherman division. As our earlier reports indicated, the Eastern District of Texas issued a nationwide injunction prohibiting enforcement of the CTA in early December 2024 (*Texas Top Cop Shop, Inc. v. McHenry*—formerly, *Texas Top Cop Shop v. Garland*).

Immediately after the Supreme Court approved the request to stay the injunction, some commentators concluded that FinCEN was allowed to begin enforcing the CTA. However, since the Supreme Court's ruling, FinCEN has issued an updated alert on its website (<https://fincen.gov/boi>) confirming that submissions remain voluntary at this time.

These two facts would seem to be in contrary to one another, but for the fact that a separate Eastern District of Texas judge issued a second injunction of the CTA on January 7, 2025. The second injunction remains in place despite the various court determinations that impact the first nationwide injunction in the *Top Shop* case. **At this time, all beneficial owner reports to FinCEN are voluntary.**

Our team continues to monitor the everchanging landscape that is the CTA and BOI reporting. We encourage you to continue monitoring Foster Swift's CTA page for future updates.

If you have any questions, please reach out to a member of Foster Swift's CTA working group.

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