

Insights

SCOTUS STAYS NATIONWIDE INJUNCTION OF THE CTA; BUT DIFFERENT DISTRICT COURT NATIONWIDE STAY OF REPORTING DEADLINE STILL IN EFFECT AND SUBMISSIONS ARE VOLUNTARY

Jan 24, 2025

As previously reported, on December 31, 2024, the government filed an application in the Supreme Court of the United States to stay or narrow the Fifth Circuit's preliminary nationwide injunction halting the Corporate Transparency Act's ("CTA") reporting requirements pending appeal. Yesterday, the Supreme Court granted the government's request for a stay of the injunction (i.e., such that the CTA could be enforced prior to decision on the expedited appeal, which has oral argument scheduled for March 25, 2025). *McHenry v. Texas Top Cop Shop, Inc.*, No. 24A653. The Supreme Court also declined to hear the case for now.

However, while the government's request for a stay of the preliminary nationwide injunction issued in *Texas Top Cop Shop, Inc.* was granted, the CTA's reporting requirements are not back in effect. This is because, on January 7, 2025, a *different* district court in Texas also stayed the reporting requirements under Section 705 of the Administrative Procedure Act during the pendency of a different lawsuit. *Smith v. United States Dep't of the Treasury*, No. 6:24-CV-336-JDK, 2025 WL 41924, at *14 (E.D. Tex. Jan. 7, 2025). This stay applies nationwide, *id.*, and the government has not appealed it. That appeal, if filed, would go to the Fifth Circuit as well.

Today, FinCEN confirmed in a publication to its website that despite the Supreme Court ruling staying the nationwide preliminary injunction issued in *Texas Top Cop Shop, Inc.*, the nationwide stay issued on January 7, 2025, in *Smith* is still in effect and CTA reporting remains voluntary. We now wait on the Fifth Circuit *Texas Top Cop Shop, Inc.* appeal as well as whether an expedited appeal is filed by the government in *Smith*.

Given continued uncertainty regarding when—and whether—the CTA filing deadline will be reinstated, reporting companies should carefully consider their options, and should be prepared to file on short notice.

To navigate these rules and deadlines for reporting requirements and recent updates, [contact BCLP's CTA team](#) with any questions. Please note that BCLP does not provide advice as to the

application of these laws to an entity unless we have been expressly engaged to provide such advice.

RELATED CAPABILITIES

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