



UPDATE: FinCEN Issues Guidance that CTA Beneficial Ownership Reporting Remains Voluntary Pending Resolution of Litigation

JANUARY 2025

By Erica McGregor, Kristen Baracy, and Grayson Sieg

Immediate Update: On January 24, 2025, the Financial Crimes Enforcement Network (“FinCEN”) issued a notice that due to a nationwide injunction issued in *Smith v. U.S. Department of the Treasury*, beneficial ownership reporting will remain voluntary while that injunction remains in effect, despite the order of the United States Supreme Court on January 23, 2025, in *Texas Top Cop Shop v. McHenry*, explained in our earlier Client Alert (see below). We will continue to monitor and provide updates as they become available.

CRITICAL UPDATE: United States Supreme Court Stays Nationwide Injunction of Corporate Transparency Act; Beneficial Ownership Reporting Is Again Required

On January 23, 2025, the United States Supreme Court granted a temporary stay of the nationwide preliminary injunction that prevented the enforcement of the Corporate Transparency Act (“CTA”). This stay effectively reinstates nationwide enforcement of the CTA to include mandatory Beneficial Ownership reporting for millions of reporting companies. As of the time of the publication of this Client Alert, the Financial Crimes Enforcement Network (“FinCEN”) has not made any announcement regarding new filing deadlines for any entity formed prior to January 1, 2024, and/or any entity otherwise required to file while the injunction was in effect. We will continue to monitor and provide updates as they become available.

The Fifth Circuit is scheduled to hear arguments related to the underlying case, *Texas Top Cop Shop v. McHenry* on March 25, and there could be additional developments after that time.

The CTA is a federal law enacted to enhance corporate transparency by requiring certain companies to disclose beneficial ownership information to FinCEN. It aims to facilitate greater transparency regarding the individuals who ultimately own or control companies operating in the United States and would require tens of millions of domestic business entities and foreign companies doing business here to report information on their beneficial owners to FinCEN.

Additional Information

For more information, please contact:

- [Erica E. McGregor](mailto:erica.mcgregor@tuckerellis.com) | 216.696.4224 | erica.mcgregor@tuckerellis.com
- [Kristen A. Baracy](mailto:kristen.baracy@tuckerellis.com) | 213.430.3603 | kristen.baracy@tuckerellis.com
- [Grayson K. Sieg](mailto:grayson.sieg@tuckerellis.com) | 216.696.5199 | grayson.sieg@tuckerellis.com

This Client Alert has been prepared by Tucker Ellis LLP for the use of our clients. Although prepared by professionals, it should not be used as a substitute for legal counseling in specific situations. Readers should not act upon the information contained herein without professional guidance.

© 2025 Tucker Ellis LLP, All rights reserved.