

# The Crazy Rollercoaster Ride of the Corporate Transparency Act Continues - FinCEN Issues a Reporting Update

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As I reported yesterday, the U.S. Supreme Court, in *Texas Top Cop Shop, Inc. et al v. Merrick Garland, Attorney General of the United States et al.*, [lifted the Fifth Circuit's injunction](#), that had been preventing the government from enforcing the Corporate Transparency Act ("CTA"). However, as reported by Mengqi Sun of *The Wall Street Journal*, there is another Texas court (the Eastern District of Texas) where the judge issued a nationwide injunction against the government's enforcement of the CTA and that the injunction remains in place. *The Wall Street Journal* further reported that there has been no appeal of that decision to a higher court.

Today, the Financial Crimes Enforcement Network, also known as FinCEN, announced on its [website](#):

**"On January 23, 2025, the Supreme Court granted the government's motion to stay a nationwide injunction issued by a federal judge in Texas (*Texas Top Cop Shop, Inc. v. McHenry*-formerly, *Texas Top Cop Shop v. Garland*). As a separate nationwide order issued by a different federal judge in Texas (*Smith v. U.S. Department of the Treasury*) still remains in place, 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."**

So, it appears, at least currently, the government intends to follow the court order in *Smith v. U.S. Department of the Treasury*. The Abbott and Costello "Who's On First" comedy continues. As I have repeatedly said in my coverage of the CTA, reporting companies may want to voluntarily comply with the CTA so that they can tune out this continuing drama! Hopefully the Supreme Court will ultimately rule on the constitutionality of the CTA so that we can turn our attention elsewhere.

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## Authored by

[Larry J. Brant](#)

[Principal|Portland](#)

[503.553.3114](tel:503.553.3114) [larry.brant@foster.com](mailto:larry.brant@foster.com)