

## **CLIENT ALERT (UPDATED\*): Supreme Court Stays Corporate Transparency Act Injunction in One Case but Nationwide Injunction in Another Case Remains**

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On January 23, 2025, the Supreme Court of the United States issued a stay of the nationwide preliminary injunction issued in *Texas Top Cop Shop, Inc., et al. v. Garland, et al.*, Case No. 4:24-CV-478 (E.D. Tex.) that prevented enforcement of the Corporate Transparency Act (“CTA”). The Supreme Court’s stay is the latest turn in a turbulent sequence of court orders that saw the nationwide injunction issued, stayed and reinstated in December, 2024. FinCEN has issued a statement clarifying that because of a separate nationwide preliminary injunction issued by the Eastern District of Texas in a different case, *Smith, et al. v. United States Dep’t of the Treasury, et al.*, Case No. 6:24-CV-336-JDK (E.D. Tex.), the CTA remains enjoined despite the Supreme Court’s stay of the *Texas Top Cop Shop* injunction. FinCEN’s statement can be viewed [here](#).

Currently, the government has not appealed the separate injunction issued in the *Smith* case.

As was noted in our earlier CTA communication, the Fifth Circuit has scheduled expedited briefing by February 28, 2025 and oral argument on the *Texas Top Cop Shop v. Garland* appeal for March

25, 2025.

Reporting companies remain not obligated to comply with the CTA’s reporting requirements. A ruling from the Fifth Circuit is unlikely before at least March.

We continue to recommend closely monitoring developments and being ready to make the necessary filings on short order, should the second injunction be lifted. For more information concerning the CTA, the injunction and pending appellate litigation, please visit our [News & Press](#) page.

*\*This Client Alert was updated at 12:00PM on January 24, 2025 to reflect FinCEN’s announcement that the CTA is still enjoined and reporting requirements are still voluntary.*

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