

FinCEN Confirms Nationwide Pause of Corporate Transparency Act and BOI Reporting Requirements

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Entities should continue preparing to comply with BOI reporting requirements.

On December 10, 2024, the Financial Crimes Enforcement Network (FinCEN) alerted businesses that, for now, they do not need to report their beneficial ownership information (BOI). This alert followed the U.S. District Court for the Eastern District of Texas's nationwide injunction blocking enforcement of the Corporate Transparency Act (CTA), [which we detailed in a prior bulletin](#).

FinCEN maintains that the CTA is constitutional but confirmed that companies will not be subject to liability for failing to comply with BOI reporting requirements, so long as the *Texas Top Cop Shop* injunction remains in force. *Texas Top Cop Shop v Garland et al.*, 4:24-cv-00478 (Dec. 3, 2024).

This injunction and explanatory alert from FinCEN both come only a few weeks before the January 1, 2025, deadline for businesses to file their BOI reports.

Texas Top Cop Shop is not the only case challenging the CTA currently working its way through the courts. Last spring, the [Northern District of Alabama](#) issued a narrow injunction blocking enforcement against the plaintiffs, which is currently on appeal in the [Eleventh Circuit](#). The government is similarly expected to appeal the nationwide injunction.

Due to the uncertainty surrounding the CTA's fate, companies should continue working with knowledgeable counsel to prepare for the potential reinstatement of the BOI reporting requirements. If you have questions regarding the CTA or the impact of the *Texas Top Cop Shop* decision, the [White Collar](#) and [Corporate & Securities Practice Groups](#) at Benesch are here to help.

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