

CORPORATE TRANSPARENCY ACT UPDATE

ANSWERS TO YOUR TOP QUESTIONS ABOUT THE FEDERAL COURT'S INJUNCTION

<p>Why did the federal court stop enforcement of the Corporate Transparency Act ("CTA")?</p>	<p>On December 3, 2024, in <u>Texas Cop Shop, Inc., et al. v. Garland et al.</u>, the U.S. District Court for the Eastern District of Texas issued a sweeping nationwide preliminary injunction ruling that (1) the CTA is likely unconstitutional and should not be enforced and (2) staying all deadlines for companies to comply with the CTA. You can find the federal court's order <u>HERE</u>.</p>
<p>What is going to happen with the filing requirement under the CTA?</p>	<ul style="list-style-type: none"> • The litigation regarding the enforceability of the CTA is ongoing. The U.S. Department of Justice has recently filed an emergency motion with the appellate court to stop the nationwide preliminary injunction issued in <u>Texas Top Cop Shop, Inc., et al. v. Garland, et al.</u> • It is imperative for entities who are considered "reporting companies" under the CTA to closely monitor the ongoing litigation.
<p>Where can I find information and resources regarding the CTA, including FinCEN's Small Entity Compliance Guide?</p>	<ul style="list-style-type: none"> • For information about the federal court's sweeping order prohibiting enforcement of the CTA, go to our legal update <u>HERE</u>. • For information about the reporting requirements under the Corporate Transparency Act including helpful resources, go to our legal update <u>HERE</u>. • You can find FinCEN's Small Entity Compliance Guide <u>HERE</u>.

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