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Here We Go Again--U.S. Supreme Court Permits Immediate Enforcement of the Corporate Transparency Act

After a December of back-and-forth where the Corporate Transparency Act ("CTA") was off, then on again, then off yet again (see the [CTA page](#) on our firm's website for further information), we have yet another volley, this time from the United States Supreme Court. On January 23, 2025 the Supreme Court issued a stay of the "universal" or "nationwide" preliminary injunction precluding enforcement of the CTA. As a result, the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN") may once again begin to enforce the CTA. The Supreme Court's stay of the preliminary injunction will remain in effect until the Fifth Circuit Court of Appeals issues its decision on the preliminary injunction and, if there is a further appeal of that decision, such appeal is resolved by the Supreme Court either declining to hear the appeal or, if it decides to hear the appeal, rendering a judgment.

There are two important open questions following this decision:

1. What happens in other pending cases where the court has granted a "universal" or "nationwide" preliminary injunction related to the CTA's reporting requirements? Will appellate courts promptly stay those injunctions in light of this Supreme Court decision?
2. Will FinCEN extend the applicable reporting deadlines to account for the period in which the stay was in effect, similar to what it did when the stay was briefly lifted in December?

It is important to note that the Supreme Court's decision to stay the preliminary injunction focused solely on the propriety of the universal preliminary injunction that was issued. In no way did the Supreme Court address the question of whether the CTA is constitutional. Any decision on the substantive questions about the enforceability of the CTA will not be known for some time after those issues are separately argued before the appellate courts.

Kutak Rock's [CTA Client Service Team](#) will continue to provide updates regarding the CTA, including any extensions of the CTA reporting deadlines that may be granted by FinCEN and the impact of the Supreme Court's decision on injunctions issued in other cases.

