

Client Alert: Corporate Transparency Act Suspended Nationwide by Court Ruling

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Earlier this year, we issued an alert about reporting requirements under the Corporate Transparency Act (CTA), a new federal law intended to prevent money laundering, which required many businesses to file beneficial ownership information reports (BOIRs) with the Treasury Department starting in 2024. The CTA imposed significant compliance obligations and penalties for non-compliance.

On December 3, a federal court in the Eastern District of Texas issued a nationwide preliminary injunction blocking enforcement of the CTA and its implementing regulations, thereby suspending enforcement of the CTA pending further proceedings to determine whether the law is constitutional.

What does this mean for your business?

If you have already filed a BOIR, there is nothing further to do at this time. For businesses that were in the process of filing, so as to not lose momentum, we suggest gathering the beneficial ownership information necessary to file a BOIR in case the injunction is reversed in the future.

All businesses should remain apprised of new developments regarding this case and others that may affect the enforcement of and reporting obligations under the CTA. We will continue monitoring the litigation related to the CTA for material developments.

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