



## **Important Update: Corporate Transparency Act (CTA)**

In our newsletter on December 3, we shared details about the Corporate Transparency Act (CTA) and its requirement for most U.S. businesses to file Beneficial Ownership Information (BOI) reports with the Treasury Department.

Later that same day, a federal court in Texas issued a nationwide injunction temporarily blocking the enforcement of the CTA. This ruling was made in response to a lawsuit challenging the law's constitutionality, specifically its overreach into regulating businesses that may not engage in interstate or international commerce.

### **How This Affects Our Previous Guidance**

- **Temporary Hold on Filing Requirements:** Businesses are not currently required to submit BOI reports while this injunction is in place.
- **Ongoing Legal Uncertainty:** The legal status of the CTA remains unsettled, as further court decisions could change or uphold the injunction.
- **Our Recommendation:** While the requirement is paused, it's a good idea to stay informed about the CTA and its potential impact on your business if it is reinstated.

### **What to Do Next**

1. **Review FAQs:** Although the filing requirement is on hold, the FAQs published by the Financial Crimes Enforcement Network (FinCEN) provide valuable insights into BOI reporting and compliance. [Read FAQs](#)
2. **Stay Informed:** We will continue monitoring this situation and provide updates as the case progresses.

Hedman Partners is monitoring the impactful ruling and will provide updates as more information becomes available. CTA reporting rules are not part of the Internal Revenue Code and more of a legal matter, therefore we recommend companies contact legal counsel for assistance. We are available to assist with general questions concerning the requirements and can help direct you to available resources. Please contact us if we can be of additional help.