

CORPORATE AND BUSINESS LAW LEGAL ALERT

UPDATE: Corporate Transparency Act Declared Unconstitutional

On March 1, 2024, a federal district court in the Northern District of Alabama ruled in *National Small Business United v. Yellen* that the Corporate Transparency Act (CTA) exceeds the Constitution's limits on Congress's power and enjoined the Department of the Treasury and the Financial Crimes Enforcement Network (FinCEN) from enforcing the CTA against the plaintiffs. The Justice Department, on behalf of the Department of the Treasury, filed a Notice of Appeal on March 11, 2024.

FinCEN subsequently confirmed in a notice posted on its website that it will continue to implement the CTA and that, other than the particular individuals and entities subject to the court's injunction, reporting companies are still required to comply with the law and file beneficial ownership reports as provided in FinCEN's regulations.

We will continue to monitor updates and additional FinCEN guidance on the CTA.

Please reach out to any of the following individuals at Schenck, Price, Smith & King, LLP with questions or for assistance in complying with the CTA: **Counsel Jennifer A. Golub at jgolub@spsk.com or 973-529-5203; Counsel Nadine Yavru-Sakuk at nys@spsk.com or 973-798-4962; or Partner Edward W. Ahart at ewa@spsk.com or 973-540-7310.**

This Alert is designed to keep you aware of recent developments in the law. It is not intended to be legal advice, which can only be given after the attorney understands the facts of a particular matter and the goals of the client.



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