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**BOIRR UPDATE**  
**[2024-12-09]**

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The United States Treasury has appealed the issuance of the nationwide injunction barring it from enforcing the BOIRR statute and related regulations. Treasury also publically acknowledged the scope and impact of the injunction. Treasury now informs the public that compliance is not required while the order remains in effect, and that reporting companies face no liability for failing to comply while the injunction remains in force:

In light of a recent federal court order, reporting companies are not currently required to file beneficial ownership information with FinCEN and are not subject to liability if they fail to do so while the order remains in force. However, reporting companies may continue to voluntarily submit beneficial ownership reports.

<https://www.fincen.gov/boi> (as viewed on December 9, 2024). A complete copy of Treasury's alert may be found on the next page.

Treasury points out that the injunction is contrary to other district court decisions rendered in Virginia and Oregon that upheld enforcement of BOIRR.

Treasury's appeal was expected. It remains unknown whether the government will seek expedited review of the injunction; whether the United States Court of Appeals for the Fifth Circuit will let the injunction stand, dissolve it, or take some other action; and when the appellate court will act.

Please keep in mind that a dissolution or a modification of the injunction can occur at any time. If you have not already completed your filing, continue to be prepared to comply with BOIRR on short notice.

Copies of the amended injunction and the amended notice of appeal may be found on our website at <https://ezkovichlaw.com/boi>.

**BOIRR UPDATE**

December 9, 2024

Page 2

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 **Alert: Impact of Ongoing Litigation – Deadline Stay – Voluntary Submission Only**

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The Corporate Transparency Act (CTA) plays a vital role in protecting the U.S. and international financial systems, as well as people across the country, from illicit finance threats like terrorist financing, drug trafficking, and money laundering. The CTA levels the playing field for tens of millions of law-abiding small businesses across the United States and makes it harder for bad actors to exploit loopholes in order to gain an unfair advantage.

On Tuesday, December 3, 2024, in the case of *Texas Top Cop Shop, Inc., et al. v. Garland, et al.*, No. 4:24-cv-00478 (E.D. Tex.), a federal district court in the Eastern District of Texas, Sherman Division, issued an order granting a nationwide preliminary injunction that: (1) enjoins the CTA, including enforcement of that statute and regulations implementing its beneficial ownership information reporting requirements, and, specifically, (2) stays all deadlines to comply with the CTA's reporting requirements. The Department of Justice, on behalf of the Department of the Treasury, filed a Notice of Appeal on December 5, 2024.

*Texas Top Cop Shop* is only one of several cases in which plaintiffs have challenged the CTA that are pending before courts around the country. Several district courts have denied requests to enjoin the CTA, ruling in favor of the Department of the Treasury. The government continues to believe—consistent with the conclusions of the U.S. District Courts for the Eastern District of Virginia and the District of Oregon—that the CTA is constitutional.

While this litigation is ongoing, FinCEN will comply with the order issued by the U.S. District Court for the Eastern District of Texas for as long as it remains in effect. Therefore, reporting companies are not currently required to file their beneficial ownership information with FinCEN and will not be subject to liability if they fail to do so while the preliminary injunction remains in effect. Nevertheless, reporting companies may continue to voluntarily submit beneficial ownership information reports.