



## **Williams Williams Rattner & Plunkett advises on Corporate Transparency Act (CTA) following March 1 U.S. District Court decision ruling it unconstitutional - and subsequent FinCEN notice on enforceability**

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Birmingham, Mich.---March 8, 2024 –John W. Crowe, managing partner of Birmingham, Michigan-based corporate law firm Williams Williams Rattner & Plunkett (WWRP), shared an important update on the Corporate Transparency Act, which took effect January 1, 2024, following its 2021 enactment.

On Friday, March 1, Judge Liles Burke of the United States District Court for the Northern District of Alabama ordered the Corporate Transparency Act could not be enforced against the plaintiffs in the matter before him, *National Small Business Association et al. v Janet Yellen et al.* Judge Burke’s order declared the Corporate Transparency Act to be unconstitutional and therefore enjoined its enforcement against the plaintiffs. In response, on March 4, 2024, the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury, issued a press release acknowledging the court decision and its effect on the plaintiffs only - suggesting that FinCEN views the CTA as still in effect for all persons and entities other than the plaintiffs in NSBA. Given the current situation, Crowe offers the following guidance:

“WWRP is continuing to monitor the legal landscape on this matter, including the possibility that the U.S. Department of Treasury will appeal this ruling,” Crowe said. “In the meantime, we are advising our clients the Corporate Transparency Act is still in effect but to check with us regularly, as additional developments or guidance may appear before the deadline of an applicable reporting period under the CTA.”

CTA requires reporting companies in the United States to disclose to FinCEN the names of individuals who own or control a company operating in the U.S. market. The goal of identifying these “beneficial owners” is to obtain information and increased transparency to fight tax fraud, money laundering and other nefarious financial dealings by gaining information on an estimated 32 million entities.

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