

# BOI Reporting Rules Are Still Voluntary

## Cross References

- *Texas Top Cop Shop, Inc.*, U.S. Supreme Court, January 23, 2025

The U.S. Supreme Court has issued a stay on the nationwide injunction on the Beneficial Ownership Information (BOI) reporting rules. However, FinCEN says BOI reporting is still voluntary.

On December 3, 2024, a federal judge for the Eastern District of Texas issued a preliminary nationwide injunction on the BOI reporting rules and said that the 32.6 million existing small businesses need not comply with the CTA's January 1, 2025 deadline for reporting their BOI to FinCEN. The government filed an emergency motion with the 5th Circuit Appeals Court seeking a stay on that injunction and on December 23, 2024 the court granted the government's motion for a temporary stay pending their appeal.

After oral arguments were presented, on December 26, 2024 the 5th Circuit Court of Appeals reversed its previous reversal, meaning the preliminary nationwide injunction on the BOI reporting rules was back in effect.

On January 23, 2025, the U.S. Supreme Court reversed the 5th Circuit Court of Appeals ruling. This stay is granted until the 5th Circuit Court of Appeals rules on the case of whether or not the BOI reporting rules are Constitutional.

However, according to the FinCEN website as of January 27, 2025, BOI is still only voluntary because a different federal judge in Texas (*Smith v. U.S. Department of the Treasury*) has also issued a nationwide order. Thus, reporting companies are not currently required to file BOI information with FinCEN despite the Supreme Court's action in *Texas Top Cop Shop*. Reporting companies also are not subject to liability if they fail to file this information while the *Smith* order remains in force.