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BO-Registers | US Federal judge rules on privacy angle – Implications for the EU

I refer to our [previous correspondence](#) and the report two days ago that [US Treasury permanently cancelled](#) the Corporate Transparency Act's beneficial ownership reporting for all US companies, signalling further schism with the EU.

This did not stop a US federal judge from issuing a strong ruling in a case filed in March 2024. In [Small Business Association of Michigan v. US Treasury/Janet Yellen, 1:24-cv-00314](#), (W.D. Mich.), Federal Judge Robert Jonker condemned the privacy and data protection implications of the doomed law, and it is our view that the same applies in the EU under the Charter of Fundamental Rights and the GDPR:

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

SMALL BUSINESS ASSOCIATION
OF MICHIGAN, et al.,
JANET YELLEN, et al.,

CASE No. 1:24-cv-314

"(..) The Constitution is all about protecting citizens from the power of government and provide limits on government power that protects the **legitimate privacy interests** of citizens from **unreasonable government intrusion**.

Governmental power has a natural tendency to expand and encroach on the freedom and privacy of citizens, **even when pursuing goals that are worthy and important**, like crime investigation and prevention.

In **Orwell's 1984**, "**Big Brother**" had omnipresent telescreens everywhere—including every citizen's living room—that made sure nothing beyond a smuggled, hand-written diary was truly private. The CTA doesn't go that far, to be sure, but it's a step in that direction...

if the aim of the Corporate Transparency Act is to plug a gap in investigating money laundering and other related problems, it is **a much more tailored approach** to focus on only those entities that access the financial system. When at least some of the Beneficial Owner Information is readily available from already regulated entities that are likely to be the tools of the targeted nefarious actors, there is no reasonable need for the government to vacuum up massive amounts of data from the smallest players in the system and store all of it in an Orwellian "**Big Brother**" **digital warehouse** for later use by any law enforcement agency that asks."

Best regards,

Filippo Nosedà

Partner