

CLIENT ALERT



FinCEN Issues Proposed Rule to Delay the Investment Adviser AML Rule by Two Years

SEPTEMBER 22, 2025

Last month, we published [an alert](#) about the U.S. Department of the Treasury's Financial Crimes Enforcement Network (**FinCEN**) [order](#) providing exemptive relief for covered investment advisers (**Covered IAs**)^[1] from certain anti-money laundering and combating the financing of terrorism program and other Bank Secrecy Act-related reporting, recordkeeping, and information-sharing obligations (**IA AML Rule**) until January 1, 2028.^[2] The IA AML Rule, published by FinCEN as a [final rule](#) on September 4, 2024, is currently set to become effective on January 1, 2026.

Today, FinCEN published a [notice of proposed rulemaking](#) to amend the IA AML Rule to delay its effective date by two years, from January 1, 2026, to January 1, 2028 (**NPRM**). While the NPRM is not currently proposing any other changes to the IA AML Rule, FinCEN stated that the delay will afford it an opportunity to

review the IA AML Rule and, as applicable, ensure the IA AML Rule is effectively tailored to the diverse business models and risk profiles of types of firms within the investment adviser sector . . . [and] reduce any unnecessary or duplicative regulatory burden and ensure the IA AML Rule strikes an appropriate balance between cost and benefit – while still adequately protecting the U.S. financial system and guarding against money laundering, terrorist financing, and other illicit finance risks.

WHAT'S NEXT?

FinCEN provided a 30-day comment period for the NPRM that ends on October 22, 2025. Given FinCEN's statement regarding opportunity for review during the postponement of the IA AML Rule, we expect that FinCEN may propose additional substantive amendments before the IA AML Rule becomes effective on January 1, 2028.

[1] Covered IAs include most U.S. Securities Exchange Commission-registered investment advisers and exempt reporting advisers.

[2] The IA AML Rule requires Covered IAs to (i) establish and implement a risk-based and reasonably designed anti-money laundering and combating the financing of terrorism program; (ii) file certain reports, such as suspicious activity reports, with FinCEN; (iii) keep certain records, such as those relating to the transmittal of funds (i.e.,

complying with the recordkeeping and travel rules); and (iv) comply with the information-sharing provisions of section 314(a) and (b) of the USA PATRIOT Act.
2 Min Read

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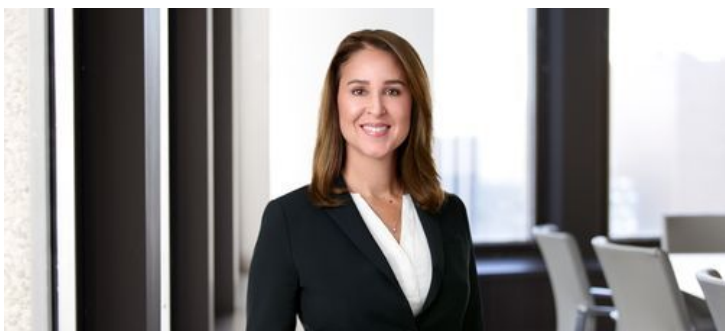
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