

## **FinCEN Client Alert**

### **Postponement and Reopening of FinCEN AML Program Rule for Investment Advisers**

On July 21, 2025, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (**FinCEN**) announced its intention to postpone the effective date of the final rule establishing [Anti-Money Laundering/Countering the Financing of Terrorism Program and Suspicious Activity Report Filing Requirements for Registered Investment Advisers and Exempt Reporting Advisers](#) (the **IA AML Rule**) **from January 1, 2026, until January 1, 2028**. FinCEN recognizes that an IA AML Rule must be effectively tailored to the diverse business models and risk profiles of the investment adviser sector and hopes that extending the effective date of the rule may help ease potential compliance costs for industry and reduce regulatory uncertainty while FinCEN undertakes a broader review of the IA AML Rule.

In addition to the announcement of the delayed effective date, FinCEN noted its intention to:

- Issue appropriate exemptive relief delaying the effective date;
- Revisit the substance and scope of the IA AML Rule through a future rulemaking process; and
- Together with the Securities and Exchange Commission (SEC), revisit the joint proposed rule establishing customer identification program rule requirements for investment advisers, [Customer Identification Programs for Registered Investment Advisers and Exempt Reporting Advisers](#).

The IA AML Rule would have required that both SEC Registered Investment Advisers (RIAs) and Exempt Reporting Advisers (ERAs):

- Establish risk-based AML policies and procedures;
- Designate an internal employee as the firm's AML Officer;
- Conduct ongoing monitoring for suspicious activity and, if identified, submit suspicious activity reports;
- Conduct initial and periodic AML training for relevant employees;
- Comply with certain information sharing and reporting obligations under the Bank Secrecy Act; and
- Ensure a periodic independent audit of the AML program is performed.

Standish Compliance recommends that investment advisers review any recently amended policies, procedures, due diligence responses, and/or representation letters that may contemplate requirements under the IA AML Rule. It is expected that most investment advisers may delay implementation of specific practices required under the IA AML Rule. However, if a firm has represented to investors, counterparties, or others that certain AML-related practices are in place, the firm may decide to continue such practices or determine whether it is best to reach back out to such third parties to clarify the firm's current approach to AML compliance in general.

As a reminder, Rule 206(4)-7 of the Investment Advisers Act (the Compliance Rule) requires that a firm adopt and implement written policies and procedures that are designed to prevent violations of the Investment Advisers Act and accurately reflect the firm's current practices. Please reach out to Standish Compliance with any questions regarding the delayed compliance date of this rulemaking or how this delay may impact your current compliance policies, procedures, or practices.

**See Announcement - <https://www.fincen.gov/news/news-releases/treasury-announces-postponement-and-reopening-investment-adviser-rule>**