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FinCEN to Postpone Investment Adviser Anti-Money Laundering Rule

July 22, 2025

On July 21, 2025, the US Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) **announced its intention** to (1) postpone until January 1, 2028, the effective date of the final anti-money laundering rule (AML rule) requiring certain investment advisers to establish anti-money laundering and counter-terrorism financing programs under the Bank Secrecy Act (BSA), and (2) revisit the scope of the AML rule.

FinCEN's announcement states that it intends to provide investment advisers with regulatory certainty by providing interim exemptive relief delaying the effective date through formal rulemaking. The postponement is intended to reduce the industry's potential compliance costs while FinCEN revisits the substance of the AML rule. FinCEN also intends to revisit the proposed updates to the customer due diligence (CDD) rule establishing customer identification program requirements for investment advisers, which had been jointly proposed with the Securities and Exchange Commission (SEC) in May 2024 but had not been finalized as of the date of announcement.

Originally issued in August 2024, the **AML rule** was slated to take effect on January 1, 2026. It would have expressly included investment advisers in the definition of a "financial institution" under the BSA and required covered investment advisers to establish a comprehensive, written AML program that addressed the so-called "four pillars" of AML program compliance:

1. Development of risk-based policies, procedures and controls commensurate with the risks of each adviser's services and customers.
2. Designation of a compliance officer responsible for implementing the program and monitoring operations and internal controls.
3. Establishment of an ongoing training program.
4. Implementation of a process for independent review of the program.

The AML rule also would have imposed CDD requirements, but these requirements were supposed to be informed by the FinCEN/SEC joint rulemaking specific to CDD. The delay in finalizing the updates to the CDD rule had been causing consternation among industry participants with the effective date of the AML rule less than six months away.

For now, it seems that investment advisers can breathe a sigh of relief (to the extent that the AML rule would have imposed novel or complex additional requirements). That said, they should continue to monitor announcements from FinCEN and the SEC regarding the AML rule and related rulemaking activities.

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