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FinCEN Finalizes Two?Year Delay of the Investment Adviser AML Rule; Reaffirms Intent to Further Review and Tailor the Rule, and to Coordinate with Other Rulemakings

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What This Means for Advisers:

- FinCEN has now adopted its previously-proposed two-year delay in the effective date for the investment adviser AML rule (including the requirements to establish AML programs and file SARs) until January 1, 2028.
- FinCEN also reaffirmed its intent to use this period to further review and tailor the rule, and it acknowledged the need to coordinate its review with the implementation of other interrelated rules, including the investment adviser CIP rule.
- Advisers can rely on having an additional two years to prepare for compliance but should continue to monitor for additional proposals and other commentary from FinCEN that could affect the scope of their future obligations.

The Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) has adopted a two-year delay of the effective date for the investment adviser anti-money laundering (AML) rule adopted in 2024, moving that date to January 1, 2028. FinCEN proposed the delay in September 2025 and, at that time, flagged that it might revisit elements of the 2024 rule during the extended timeline. In the final rule, FinCEN has confirmed both the delay and its continuing intent to tailor the rule's scope.

Recap: The 2024 Investment Adviser AML Rule

The 2024 investment adviser AML rule, adopted under the prior administration, was a landmark development for the industry. As adopted, the rule formally defined certain registered investment advisers and exempt reporting advisers as "financial institutions" under the Bank Secrecy Act. As a result, the rule requires covered investment adviser firms to establish AML programs, file suspicious activity reports (SARs) and maintain related records. The rule was finalized in the fall of 2024 and initially provided for an effective date of January 1, 2026.

In July 2025, however, Treasury announced its intention to postpone implementation of the rule for two years while it reconsidered the scope and design of the rule in coordination with the Securities and Exchange Commission (SEC). In September 2025, FinCEN formally proposed to codify that delay through an amendment to the rule. FinCEN has now adopted that amendment.

What the Amendment Does

With this action, FinCEN has extended the rule's effective date from January 1, 2026, to January 1, 2028. The amendment was effective upon publication in the Federal Register. It is narrowly tailored and changes only the effective date. The scope and substance of the rule otherwise remain intact, at least for now, although as noted below FinCEN also reiterated its intent to reconsider and further tailor the rule before it becomes effective.

Public Comments and FinCEN's Plans

As with most federal agency rulemakings under the Administrative Procedure Act, FinCEN sought and received public comment on the proposed extension, including comments on topics outside the scope of the date change:

Comments Supporting (and Opposing) the Delay. FinCEN noted that several commenters supported the delay, stating that it would provide investment advisers with the time needed to build AML compliance programs and to address budgetary and planning processes. Other commenters stated that the extension would also allow FinCEN time to provide implementation guidance and to reconsider and tailor the rule to achieve FinCEN's objectives. FinCEN agreed, noting in particular that the extension would provide additional time for it to review the rule and ensure that the rule is "effectively tailored to the diverse business models and risk profiles of types of firms within the investment adviser sector."

FinCEN also noted that several commenters opposed the delay, citing continuing risks to the financial system and national security concerns. While FinCEN said it was mindful of these risks, it reiterated the need to balance costs and benefits, which it said necessitated additional time to review and tailor the rule.

Comments Supporting Coordination with SEC Rulemaking. Several commenters urged coordination across interconnected rules so advisers could plan holistically, without uncertainty about timing or potentially conflicting requirements. Commenters in particular cited the jointly proposed FinCEN/SEC investment adviser customer identification program (CIP) rulemaking. In response, FinCEN stated that it intends to consider these timing issues during the rulemaking process for any future adviser-related rules.

Comments Requesting Other Guidance. Certain commenters also requested that FinCEN provide clarity and guidance on the AML rule, identifying several topics, including application of the Section 312 special due diligence requirements, sharing of SAR filings among affiliates and permitted Section 314(b) information sharing. While FinCEN noted these requests, it declined to address them, explaining that they were outside the narrow scope of the amendment.

What Advisers Should Do Now

- With two more years to go, investment advisers should recalibrate their implementation timelines.
- At the same time, advisers should preserve momentum on foundational elements that are less likely to change materially, such as risk assessment frameworks, reporting lines and internal governance and responsibilities.
- Advisers should also continue to monitor any proposals or guidance as they emerge relating to the investment adviser AML rule and FinCEN's ongoing coordination with the SEC on the investment adviser CIP rulemaking, and consider the impact on internal project plans.

Related Professionals

- **Nathan R. Schuur**
  Partner
- **Robert H. Sutton**

Partner

- **Seetha Ramachandran**
  Partner