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# FinCEN Postpones and Reopens Rule Imposing AML Requirements on Certain Investment Advisers

## Key Aspects of the Announcement

On July 21, 2025, the Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN") announced that it intends to postpone the effective date of the investment advisers anti-money laundering rule (the "IA AML Rule") until January 1, 2028, and to reopen the rulemaking process.<sup>1</sup>

As described in our prior Client Memorandum, FinCEN published the IA AML Rule in August 2024. Subject to certain exceptions, the rule applied anti-money laundering requirements under the Bank Secrecy Act to SEC-registered investment advisers (RIAs) and exempt reporting advisers (ERAs).<sup>2</sup> The rule was scheduled to take effect on January 1, 2026. In announcing the two-year postponement, FinCEN noted that "extending the effective date of the rule may help ease potential compliance costs for industry" and, more broadly, FinCEN "intends to revisit the substance of the IA AML Rule through a future rulemaking process."

Regarding a future rulemaking process, FinCEN noted that while the IA AML Rule seeks "to address ongoing illicit finance risks, threats, and vulnerabilities posed by criminals and foreign adversaries . . . the rule must be effectively tailored to the diverse business models and risk profiles of the investment adviser sector." FinCEN also stated that it intends, jointly with the Securities and Exchange Commission, to "revisit the joint proposed rule establishing customer identification program rule requirements for investment advisers," which had been the subject of a proposed rule in 2024 but had not been finalized.<sup>3</sup>

## Takeaways for Investment Advisers

Investment advisers should continue to monitor further developments with the IA AML Rule, and consider opportunities to comment during a future rulemaking process.

Meanwhile, the Treasury Department recently reminded industry participants of the importance of U.S. sanctions compliance. As described in our memorandum,<sup>4</sup> on June 12, 2025, the Office of Foreign Assets Control ("OFAC") issued a penalty notice imposing a penalty of over \$215,000,000 on a Silicon Valley-based venture capital firm that violated U.S. sanctions regarding Russia. OFAC emphasized that "investment professionals" serve as "gatekeepers" to the U.S. financial system and should "remain vigilant of the risk that unscrupulous actors, including sanctioned parties or their proxies, may seek to use professional services to conceal a property interest or otherwise evade OFAC sanctions."

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<sup>1</sup> FinCEN, "Treasury Announces Postponement and Reopening of Investment Adviser Rule" (July 21, 2025), available [here](#).

<sup>2</sup> Paul Weiss, "FinCEN Issues Rule Imposing AML Requirements on Certain Investment Advisers" (September 19, 2024), available [here](#).

<sup>3</sup> Paul, Weiss, "SEC and FinCEN Propose Rule Requiring Certain Investment Advisers to Establish Customer Identification Programs" (May 29, 2024), available [here](#).

<sup>4</sup> Paul, Weiss, "OFAC Imposes \$216 Million Penalty on Silicon Valley Venture Capital Firm for Russian Sanctions Violations," (June 30, 2025), available [here](#).

We will continue to provide updates on future developments, including a renewed rule-making process.

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This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

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