



Financial Crimes Enforcement Network

31 CFR Part 1032

RIN: 1506-AB58 and 1506-AB69

Delaying the Effective Date of the Anti-Money Laundering/Countering the Financing of Terrorism Program and Suspicious Activity Report Filing Requirements for Registered Investment Advisers and Exempt Reporting Advisers

AGENCY: Financial Crimes Enforcement Network (FinCEN), Treasury.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: FinCEN is proposing to amend the Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Program and Suspicious Activity Report (SAR) Filing Requirements for Registered Investment Advisers and Exempt Reporting Advisers (IA AML Rule) to delay the effective date by two years. The IA AML Rule is effective on January 1, 2026. This proposal seeks to amend the effective date to January 1, 2028.

DATES: Comments must be received by **[INSERT DATE 30 DAYS AFTER THE DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

ADDRESSES: Comments must be submitted in one of the following two ways (please choose only one of the ways listed):

- Electronically at <https://www.regulations.gov>. Follow the “Submit a comment” instructions. If you are reading this document on [federalregister.gov](https://www.federalregister.gov), you may use the green “SUBMIT A PUBLIC COMMENT” button beneath this rulemaking’s title to submit a comment to the [regulations.gov](https://www.regulations.gov) docket. Refer to Docket Number FINCEN-2025-0072 and RIN 1506-AB58 and 1506-AB69.
- You may mail written comments to the following address: Policy Division, Financial Crimes Enforcement Network, P.O. Box 39, Vienna, VA 22183. Refer to Docket

Number FINCEN-2025-0072 and RIN 1506-AB58 and 1506-AB69. Mailed comments must be received by the close of the comment period.

Do not include any personally identifiable information (such as name, address, or other contact information) or confidential business information that you do not want publicly disclosed. All comments are public records; they are publicly displayed exactly as received, and will not be deleted, modified, or redacted. Comments may be submitted anonymously.

Follow the search instructions on <https://www.regulations.gov> to view public comments. In accordance with 5 U.S.C. 553(b)(4), a summary of this rule may be found at www.regulations.gov under Docket Number FINCEN-2025-0072.

FOR FURTHER INFORMATION CONTACT: FinCEN’s Regulatory Support Section by submitting an inquiry at www.fincen.gov/contact.

SUPPLEMENTARY INFORMATION:

I. Introduction

In this NPRM, FinCEN is proposing to amend the effective date of the IA AML Rule¹ to delay the obligations of covered investment advisers (covered IAs) from January 1, 2026, to January 1, 2028.

II. IA AML Rule

On September 4, 2024, FinCEN published the IA AML Rule, which defined certain investment advisers as “financial institutions” under the Bank Secrecy Act (BSA).² The IA AML Rule requires covered IAs to establish AML/CFT programs, report suspicious activity, and keep relevant records, among other requirements.³ In the 2024 Investment Adviser Risk Assessment (IA Risk Assessment), Treasury described the illicit finance risks associated with the

¹ See U.S. Department of the Treasury (Treasury), FinCEN, *Anti-Money Laundering/Countering the Financing of Terrorism Program and Suspicious Activity Report Filing Requirements for Registered Investment Advisers and Exempt Reporting Advisers*, 89 FR 72156 (Sept. 4, 2024) (IA AML Rule).

² Pursuant to FinCEN’s authority under the BSA, it may define a business or agency as a “financial institution” if such business or agency “engages in any activity . . . determine[d] by regulation to be an activity which is similar to, related to, or a substitute for any activity” in which a “financial institution” as defined by the BSA is authorized to engage. See 31 U.S.C. 5312(a)(2)(Y).

³ See IA AML Rule, 89 FR at 72274-78.

investment adviser sector that the IA AML Rule was designed to address, including that investment advisers may be misused by money launderers, terrorist financiers, or other actors who seek access to the U.S. financial system for illicit purposes and who threaten U.S. national security.⁴

III. Proposed Delay in Effective Date

FinCEN proposes to delay the effective date of the IA AML Rule by two years. The IA AML Rule and all requirements set forth thereunder would therefore be effective on January 1, 2028. FinCEN assesses that delaying the effective date of the IA AML Rule would pose a number of advantages.

By delaying the effective date, FinCEN will be afforded 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. This review may afford FinCEN an opportunity to 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. FinCEN invites interested parties to submit comments on the proposed delay in the effective date of the IA AML Rule within 30 days of publication of this NPRM. Under Executive Orders (E.O.s) 12866 and 13563, a comment period typically should be at least 60 days, but shorter comment periods are permitted if they suffice to allow the public a meaningful opportunity to comment on the proposed regulation.⁵ A 30-day comment period is appropriate here given both the simplicity of the proposed change and the need to provide regulatory clarity to regulated parties as expeditiously as feasible.

IV. Regulatory Impact Analysis

⁴ See Treasury, *2024 Investment Adviser Risk Assessment* (Feb. 1, 2024), available at <https://home.treasury.gov/system/files/136/US-Sectoral-Illicit-Finance-Risk-Assessment-Investment-Advisers.pdf>.

⁵ E.O. 12866, *Regulatory Planning and Review*, 58 FR 51735, 51740 (Oct. 4, 1993); E.O. 13563, *Improving Regulation and Regulatory Review*, 76 FR 3821 (Jan. 21, 2011).

FinCEN has analyzed the anticipated economic impacts of this proposed rule to assess its obligations under E.O.s 12866, 13563, and 14192;⁶ the Regulatory Flexibility Act (RFA);⁷ the Unfunded Mandates Reform Act (UMRA);⁸ and the Paperwork Reduction Act (PRA).⁹ The results of this analysis are discussed in the remainder of this section¹⁰ and Section V¹¹ below. The public is invited to comment on any and all aspects of the analysis, including the data, assumptions, and methodological approaches upon which its conclusions rely.¹²

A. Economic Considerations

The sum total of the combined economic effects of the proposed rule may be difficult to quantify.¹³ Nevertheless, FinCEN anticipates that the proposed delay could reduce certain direct costs by enabling covered IAs to forgo select compliance-related activities and expenditures¹⁴ in calendar years 2026 and 2027. The total dollar value¹⁵ of this pro forma cost reduction has been estimated¹⁶ to be approximately \$1.45 billion dollars.¹⁷ FinCEN is mindful that estimates of the expected change in costs associated with the proposed rule are sensitive to a number of assumptions about the most appropriate counterfactual baseline and the related methodological

⁶ See 58 FR at 51740; 76 FR 3821; E.O. 14192, *Unleashing Prosperity Through Deregulation*, 90 FR 9065 (Feb. 6, 2025).

⁷ See generally 5 U.S.C. 601 *et seq.*

⁸ Unfunded Mandates Reform Act of 1995, Pub. L. No. 104-4, § 202, 109 Stat. 48, 64 (1995).

⁹ Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 109 Stat. 163 (1995).

¹⁰ See Section IV.A for analysis responsive to obligations under E.O.s 12866, 13563, and 14192.

¹¹ See Section V for analysis responsive to obligations under the RFA, PRA, and UMRA.

¹² In particular, FinCEN welcomes comments that provide data, studies, or generalizable qualitative information when modifications to the original analysis are recommended.

¹³ As the proposed rule merely delays the effective date of the IA AML Rule, any potential changes to the scope of the IA AML Rule are outside the scope of this proposed rule and any related economic analysis.

¹⁴ The proposed amendment to delay the effective date would not relieve covered IAs of BSA obligations that predate the effective date of the IA AML Rule, if any, or other obligations under the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 *et seq.*) (Advisers Act) with a regulatory nexus, if any. Therefore, expenditures on activities undertaken that also satisfy those obligations would not be considered affected by the proposed amendment.

¹⁵ As expected to accrue to covered IAs, select customers, and the federal government, estimated in 2022-value. See IA AML Rule, 89 FR at 72209-74.

¹⁶ See IA AML Rule, 89 FR at 72243, Table 5.26.

¹⁷ *Id.* The IA AML Rule originally projected aggregate expenses of \$800 million in 2026 and \$780 million in 2027 in 2022 U.S. dollar value. These expenditures were removed from the ten-year time series of anticipated costs and the remaining eight year series discounted at a seven percent rate to estimate the expected cost savings of the proposed rule, including a two year upfront delay. The choice to remove costs originally scheduled to accrue in years three (2026) and four (2027) of the forecast model of costs reflects the way in which start-up costs were originally built into the first three years of the estimates.

approaches employed.¹⁸ FinCEN is also aware that a change in previously quantified costs may not fully represent the scope of economic effects of the proposed rule. Additional analysis with respect to these issues is included in Section IV.A.b below.

a. Baseline Updates

To better contextualize the quantified incremental economic effects of the proposed rule, FinCEN assessed observable changes to the baseline population of affected parties.¹⁹

Since the publication of the IA AML Rule, the annual baseline population has incurred a net increase of 335²⁰ expected covered investment advisers, of which six²¹ are expected to be definitionally small.²² Assuming that the population distribution in the IA AML baseline analysis applies equally to these expected new covered IAs, the net population increase would include 12 new registered investment advisers (RIAs) with significant, 164 with moderate, and 263 with limited AML/CFT measures in place. At the same time, one exempt reporting adviser with significant, 35 with moderate, and 68 with limited AML/CFT measures in place would no longer exist.

¹⁸ This includes choices about the relevant discount rates to apply and the appropriate time horizon to estimate over. In some cases, a difference in these kinds of choices can change the direction of expected effects on costs. For example, if affected parties are assumed to be able to smooth a change in costs over a fixed time horizon, then removing two years' worth of projected costs over the same fixed period would result in an annualized average cost decrease. If, instead, affected parties cannot smooth changes over the same fixed period, then the annualized average change in costs may stay the same or even increase because removing two years' worth of projected cost also shortens the affected time horizon. A simple exercise using the projected remaining costs (approximately \$6.5 billion) of the IA AML Rule (*see supra* notes 6 and 7) illustrates this. Relative to the originally projected baseline, average annual costs decrease by approximately \$160 million per year for ten years under the proposed rule, if cost smoothing occurs, but increase by approximately \$5 million per year for eight years if cost smoothing does not occur.

¹⁹ *See generally* IA AML Rule, 89 FR 72215-24.

²⁰ This estimate is based on the assumption that the proportion of new covered RIAs that would not qualify for an exemption has remained the same as in the IA AML Rule (approximately 91.4 percent). Data on the number of IAs (including 15,870 RIAs and 5,743 ERAs) as of calendar year end 2024 was obtained from Industry Statistics – Investment Adviser Association 2025, available at <https://www.investmentadviser.org/industry-snapshots/> (accessed Aug. 15, 2025). Since the publication of the IA AML Rule, the number of covered RIAs increased by 438 and the number of ERAs decreased by 103.

²¹ This estimate is based on the assumption that the proportion of new covered IAs that would be considered small for purposes of Regulatory Flexibility Analysis has remained the same as in the IA AML Rule (approximately 1.9 percent). *See* IA AML Rule, 89 FR at 72216, 72255-61.

²² The IA AML Rule relies on the small entity definition under the Advisers Act rule adopted for purposes of the RFA. *See* IA AML Rule, 89 FR at 72255-56.

FinCEN additionally estimates that there would be an increase in the total baseline population of covered IAs' expected customers of approximately 10.2 million²³ or 20.4 million²⁴ that would not have been taken into account at the time of the IA AML Rule's initial publication but that would affect the costs of implementation were the rule to, in practice, become effective in 2026 or 2028, respectively. Of these projected new customers, for purposes of comparison to the IA AML Rule PRA baseline customers, approximately 1.5 million or 1.8 million would be expected to incur the information collection burden originally assigned to legal entities in the IA AML Rule PRA analysis,²⁵ which represents an increase of approximately 241,849 or 483,699 expected respondents in 2026 or 2028, respectively.²⁶ In observing these baseline trends, FinCEN is mindful that because the population of affected entities is generally increasing, any delay in the original effective date of the rule may increase the burden of initial start-up costs both (1) on aggregate in terms of the number of covered IAs and (2) per covered IA in terms of the number of customers under its AML/CFT program.

b. Expected Benefits and Costs

Notwithstanding that, from a practical perspective, a delay in the effective date of the IA AML Rule would relieve covered IAs of certain out-of-pocket costs in 2026 and 2027, the companionate quantification of the overall economic effect of this change may be less tractable

²³ This estimate is derived from applying two years of the respective expected annual growth rates from the IA AML Rule regulatory impact analysis ("IA AML Rule RIA") (9.5 percent per year for individuals and legal entities, 6 percent for pooled investment vehicles (PIVs)) to the baseline population of customers implied by Table 5.7 and Table 5.15. The IA AML Rule uses the term "customers" for those natural and legal persons who enter into an advisory relationship with an investment adviser. This is consistent with terminology in the BSA and FinCEN's implementing regulations. FinCEN acknowledges that the Advisers Act and its implementing regulations primarily use the term "clients," and so that term is used in specific reference to Advisers Act requirements; otherwise the term "customers" is used.

²⁴ This estimate is derived from applying four years of the respective expected annual growth rates from the IA AML Rule RIA (9.5 percent per year for individuals and legal entities, 6 percent for PIVs) to the baseline population of customers implied by Table 5.7 and Table 5.15.

²⁵ In the IA AML Rule RIA, FinCEN assigned an expected information collection-related burden to the legal entity customers of covered IAs with limited baseline AML/CFT measures.

²⁶ These estimates reflect an applied annual average expected increase of 9.5 percent for two (four) years to the affected baseline population of affected legal entities. FinCEN notes that this growth rate exceeds the observed annual average growth in total (asset management only) RIA customers as reported in the IA 2025 snapshot (*see supra* note 20, Table 2B) over calendar years 2018-2024, which was approximately 8.1 (6.5) percent. To the extent that the growth rates estimated in the IA AML Rule exceed the realized growth rate in customer population for the majority of covered IAs, this would attenuate the expected impact of a delayed effective date on the increase in up-front or start-up costs.

and more sensitive to assumptions. The effect of a change in future costs would reasonably be expected to vary by the means by which an affected party intended to finance those expenditures. It would also depend on affected parties' *ex ante* expectations about the duration of regulatory obligations. Conceptually, the proposed rule introduces both changes to expected benefits and to expected costs, and each of those changes individually may not move either aggregate costs or aggregate benefits in the same direction.

With respect to changes in expected costs, if the effect of the proposed rule was conservatively interpreted to be strictly a shift by two years of a cost profile that would otherwise continue into all future time periods, then the rule's primary effect on economic costs would generally be to uniformly delay unrealized costs by two years. This implies substantial savings in 2026 and 2027, cost increases associated with delayed ramp-up in 2028, and minor effects starting in 2029. Applying discount rates of seven and three percent over a ten-year period, the net present value of the anticipated cost savings are approximately \$1,453.63 million and \$1,523.60 million, respectively. This corresponds to annualized savings of \$183.01 million at a seven percent discount rate and \$153.06 million at a three percent discount rate.²⁷

This conceptualization of costs, however, may not fully account for the context of regulations that implement AML/CFT program and SAR filing requirements, and, for example, presumes there would be no change in the economic harms to national security or from illicit financial activities that, but for the effective implementation of the IA AML/CFT program regime, would otherwise transpire. Such unprevented harms, which are generally difficult to

²⁷ FinCEN expects that some aspects of this and other estimates of cost reductions could be overstated because they do not take into account that some expenditures assigned to effective year 1 have already occurred and are not reversible or would not be cost-free to reverse. For example, to the extent that a covered IA may have already reviewed their current policies and procedures to assess the need for revisions (*i.e.*, gap analysis) or already undertaken steps to modify those policies and procedures accordingly, the cost savings of regulatory delay would be overestimated. Similarly, if it would become necessary to retroactively conform representations to covered IAs' clients customers about an IA's AML/CFT related policies and procedures where disclosure materials have already been updated, but implementation would be paused by the proposed delay, the estimated changes in costs presented here would not include this newly introduced potential retrofitting cost and would consequently overstate the reduced burden proportionately. Cost reductions may further be overstated to the extent that covered IAs opt to commence voluntary compliance with AML/CFT program requirements in advance of the proposed delayed effective date.

quantify, would both create new costs and reduce economic benefits²⁸ to the public under the proposed rule relative to the economic effects otherwise expected under the IA AML Rule.

At the same time, the proposed delay may indirectly increase economic benefits because of certain potential additional costs not previously contemplated in the IA AML Rule, that a proposed delay in the effective date could mitigate. These include potential economic costs related to regulatory uncertainty, regulatory fragmentation,²⁹ and costs associated with expediting compliance. Under the assumption that mitigating these costs in addition to direct expenditures and timing-related costs would enable covered IAs to engage in a more productive use of resources, this could result in novel economic benefits.

c. Alternatives

In partial fulfillment of its obligations under statutory authorities, FinCEN considered several alternatives to the proposed amendment. Of these alternatives, FinCEN is providing discussion of the most salient, and those most sensitive to public comment for further review.³⁰

i. Status Quo

FinCEN is mindful that the proposed amendment to delay the effective date may prolong the U.S. financial system's exposure to previously identified vulnerabilities and illicit finance risks associated with the investment adviser sector.³¹ At the same time, the IA AML Rule imposes costs that, given other concurrent regulatory changes and uncertainties, may now be higher than those identifiable at the time of the IA AML Rule's initial promulgation. FinCEN has weighed these potential costs to covered IAs, their customers, and the federal government against the previously identified risks and believes that, in contrast to maintaining the status quo effective date of January 1, 2026, a two-year delay appropriately balances trade-offs between probable risks and costs.

²⁸ See IA AML Rule, 89 FR at 72224-26.

²⁹ See Joseph Kalmenovitz, , Michelle Lowry, and Ekaterina Volkova, "Regulatory Fragmentation," *Journal of Finance* vol. 89, no. 2 (Apr. 2025); see also Hongkang Xu, "Regulatory Fragmentation and Dividend Payouts," *Accounting & Finance* (2025).

³⁰ See *supra* note 12.

³¹ See *supra* note 4.

ii. Other Alternatives

FinCEN considered other approaches to limiting the near-term costs incurred by covered IAs and their customers while operationalizing the IA AML Rule. FinCEN considered proposing a delayed effective date that would be connected with, or conditioned on, the effective date of one or more other rules that may impact the regulatory obligations of covered IAs. However, FinCEN concluded that delaying in a manner that is conditional on other regulatory effective dates may lead to uncertainty and have less than the desired magnitude of impact in reducing costs and, as a result, the costs of the potential harms from this approach outweigh those associated with a two-year delay.

In addition, when a rule may potentially affect small entities with greater relative economic impact, it is customary to consider potential accommodations for them, like additional time to conduct the full suite of changes to daily operations necessary for compliance. At the same time, the agency must consider if such accommodations would meaningfully benefit small entities without unduly undermining the objectives that necessitated regulation. In connection with this proposed rule, FinCEN considered affording an additional year delay to covered IAs that would qualify as “small” under the categories defined by the RFA.³² As in the IA AML Rule, FinCEN again concluded that any alternative that affords differential compliance requirements poses significant risk for exploitation as a regulatory loophole.³³ Moreover, FinCEN estimated that to successfully implement a regime that requires recorded documentation that one or more parties meet(s) the eligibility criteria for a temporary waiver of requirements is unlikely to be substantially less costly than the alternative compliance regime, and thus both would not meaningfully reduce costs and would unequivocally reduce the expected benefits relative to the proposed rule. For these reasons FinCEN did not elect to propose affording additional time to affected small entities.

³² See 5 U.S.C. 601(3)-(6).

³³ See IA AML Rule, 89 FR at 72260-61.

B. Executive Orders 12866, 13563, and 14192

This rule was deemed “Economically Significant” by the Office of Information and Regulatory Affairs. Per E.O. 12866, if a regulatory action is expected to result in a rule that would have an annual effect on the economy equal to or greater than \$100 million,³⁴ a regulatory impact analysis is required. Accordingly, the forgoing analysis was conducted because it is expected to result in effects beyond this threshold.

When final, this action is expected to be considered an E.O. 14192 deregulatory action.³⁵ We estimate that this rule generates \$88.88 million in annualized cost savings at a 7% discount rate, discounted relative to year 2024, over a perpetual time horizon.

V. Compliance with Other Authorities

A. Regulatory Flexibility Act

Pursuant to the RFA,³⁶ FinCEN certifies that the proposed rule would not have a significant economic impact on a substantial number of small entities. The factual basis for this determination³⁷ is described below.

While it is not clear whether the reduction in expenditures for calendar years 2026 and 2027 contemplated by the proposed rule would constitute a significant economic impact for affected small entities,³⁸ FinCEN asserts that the rule would not affect a substantial number of these entities.³⁹

³⁴ 58 FR at 51740-41; 76 FR at 3822.

³⁵ E.O. 14192, *Unleashing Prosperity Through Deregulation*, 90 FR 9065 (Jan. 31, 2025); OMB, *Guidance Implementing Section 3 of Executive Order 14192, Titled “Unleashing Prosperity Through Deregulation,”* M-25-20 (Mar. 26, 2025), available at <https://www.whitehouse.gov/wp-content/uploads/2025/02/M-25-20-Guidance-Implementing-Section-3-of-Executive-Order-14192-Titled-Unleashing-Prosperity-Through-Deregulation.pdf>.

³⁶ See 5 U.S.C. 605(b); 5 U.S.C. 601 *et seq.*

³⁷ See 5 U.S.C. 605(b).

³⁸ At the time of promulgation, the IA AML Rule surmised that “using information from the SUSB for firms with revenues below \$50 million, FinCEN estimates that the annualized cost burden of the final rule would be approximately 4.7 percent of revenues or 0.8 percent of AUM for a small investment adviser. FinCEN is unable to conclusively determine whether such a cost burden would be “significant” for purposes of the RFA.” IA AML Rule, 89 FR at 72255-59.

³⁹ The term “substantial number” is not operationally defined under the RFA. However, one recommendation is to treat an expected significant economic burden that affects 25 percent or more of affected small entities as substantial. See U.S. Small Business Administration, *How to Comply with the Regulatory Flexibility Act*, Chapter 1 (Aug. 2017), available at <https://advocacy.sba.gov/wp-content/uploads/2019/06/How-to-Comply-with-the-RFA.pdf>.

Based on the analysis in the IA AML Rule, small covered IAs constitute less than two percent of the population of covered IAs.⁴⁰ Furthermore, using numbers from the updated baseline in this notice in addition to the IA AML Rule RIA, FinCEN continues to estimate that small covered IAs constitute less than three percent of small IAs.⁴¹ Therefore, even if all the small IAs affected by the proposed rule were conclusively determined to be significantly impacted, they would still fall short by a full order of magnitude of comprising a “substantial number” either as a percentage of the total population of covered IAs or as a percentage of the total population of small IAs.

The necessity for any additional economic analysis under the RFA⁴² depends on the two aforementioned conditions holding jointly: the expected economic effect must be significant, and it must be so for a significant number of small entities. FinCEN believes that, by explaining why at least one of the two criteria is clearly not met, it has provided the threshold analysis⁴³ necessary for certification.

B. Paperwork Reduction Act

The substance of this NPRM pertains to amending the IA AML Rule exclusively with respect to the effective date. The PRA analysis in the IA AML Rule was originally constructed to be generally insensitive to potential changes in the timing of implementation.⁴⁴ As such, there is no incremental PRA burden associated with this proposed rule, and no modifications to previous burden estimates are required.

⁴⁰ Small covered IAs were estimated to constitute approximately 1.9 percent of covered IAs in the IA AML Rule. IA AML Rule, 89 FR at 72215

⁴¹ The updated baseline population of small covered IAs is estimated to be 391 (385 from the IA AML Rule RIA baseline + 6 from the NPRM baseline). *See* IA AML Rule, 89 FR at 77215-16. The IA AML Rule estimated that the total population of small IAs was 13,430 in 2023, meaning at the time the IA AML Rule was originally published the proportion of small covered IAs was approximately 2.9 percent of all small IAs. FinCEN estimates that because 391/13,430 is also approximately 2.9 percent and that any expected increase in the total population of small IAs since 2023 would have the effect of increasing the denominator (lowering the ratio of covered small IAs to all small IAs), it may reasonably continue to expect that the proportion of small IAs affected by this NPRM remains near or below three percent.

⁴² *See* 5 U.S.C. 603.

⁴³ *See supra* note 42. FinCEN considerations have attempted to reflect best practices in threshold analysis per SBA Advocacy guidance. To the extent that members of the public believe this analysis errs for lack of material data, information, or other salient considerations, comment is requested.

⁴⁴ *See* IA AML Rule, 89 FR at 72261-74.

C. Unfunded Mandates Reform Act

Pursuant to the UMRA, FinCEN has considered whether the proposed rule is likely to result in the promulgation of a final rule that would result in an incremental expenditure of \$187 million or more annually by State, local, and Tribal governments or by the private sector.⁴⁵ As FinCEN expects the quantifiable immediate economic effect of the proposed amendment to be a decrease in expenditures, it has concluded further analysis under UMRA is not required.

VI. Requests for Comment

1. Are there material facts, data, or information that, had they been considered, would have led FinCEN to conclude that a different formulation or duration of proposed delay of the IA AML Rule effective date would better serve the public interest? What would this alternative formulation be?
2. Are there any additional costs or benefits to the proposed rule that should have been considered, articulated, or quantified? Any considered, articulated, or quantified costs or benefits that should have been done so differently? By what order of magnitude would such differences be expected to change FinCEN's conclusions?
3. Are there additional regulatory alternatives that would achieve the same balance of reduced costs without forgoing the intended benefits of the IA AML Rule that FinCEN should consider implementing instead of the proposed rule? If so, please describe in as much detail as practicable both the suggested alternative and the basis for a determination that it would similarly, or more efficiently, accomplish the same regulatory objectives.

List of Subjects

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⁴⁵ The U.S. Bureau of Economic Analysis reported the annual value of the gross domestic product (GDP) deflator in 1995 (the year in which UMRA was enacted) as 66.939, and 2024 as 125.230. *See* U.S. Bureau of Economic Analysis, "Table 1.1.9. Implicit Price Deflators for Gross Domestic Product" (accessed Aug. 20, 2025). Thus, the inflation adjusted estimate for \$100 million is 125.230 divided by 66.939, multiplied by 100, or \$187.080 million.

Administrative practice and procedure, Anti-money laundering, Banks, Banking, Brokers, Brokerage, Investment advisers, Money laundering, Mutual funds, Reporting and recordkeeping requirements, Securities, Small business, Suspicious transactions, Terrorist financing.

Authority and Issuance

For the reasons stated in the preamble, FinCEN proposes to delay the effective date of the rule adding 31 CFR part 1032, published at 89 FR 72156, until January 1, 2028, and to amend 31 CFR part 1032 as follows:

PART 1032—RULES FOR INVESTMENT ADVISERS

1. The authority citation continues to read as follows:

Authority: 12 U.S.C. 1829b and 1951-1959; 31 U.S.C. 5311-5314 and 5316-5336; title III, sec. 314, Pub. L. 107-56, 115 Stat. 307.

2. Revise § 1032.210(c) to read as follows:

§ 1032.210 Anti-money laundering/countering the financing of terrorism programs for investment advisers.

(c) *Effective date.* An investment adviser must develop and implement an AML/CFT program that complies with the requirements of this section on or before January 1, 2028.

Andrea M. Gacki,

Director,

Financial Crimes Enforcement Network.