



DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

31 CFR Part 1010

RIN 1506-AB75

Definition of Huione Group, a Financial Institution Operating Outside the United States of Primary Money Laundering Concern

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

ACTION: Notice of proposed rulemaking.

SUMMARY: FinCEN is issuing a notice of proposed rulemaking (NPRM), pursuant to section 311 of the USA PATRIOT Act, that proposes amending the existing definition of Huione Group to include, within the definition of that group, H-Pay Service PLC, and adding and defining the term “successor entity.” With this NPRM, FinCEN does not alter its assessment that Huione Group is a financial institution operating outside the United States of primary money laundering concern, and the existing special measure codified at 31 CFR 1010.664 with respect to Huione Group remains in effect.

DATES: Written comments on the notice of proposed rulemaking must be submitted on or before [INSERT DATE 30 DAYS AFTER 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):

- *Federal E-rulemaking Portal:* <https://www.regulations.gov>. 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.

- *Mail:* Financial Crimes Enforcement Network, P.O. Box 39, Vienna, VA 22183. Refer to Docket Number FINCEN-2026-0166 in the submission.

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.

FOR FURTHER INFORMATION CONTACT: The FinCEN Resource Center at www.fincen.gov/contact.

SUPPLEMENTARY INFORMATION:

I. Statutory Provisions

Section 311 of the USA PATRIOT Act (section 311), codified at 31 U.S.C. 5318A, grants the Secretary of the Treasury (Secretary) the authority to make a finding that “reasonable grounds exist for concluding” that any of the following “is of primary money laundering concern”:

- A jurisdiction outside of the United States;
- One or more financial institutions operating outside of the United States;
- One or more classes of transactions within, or involving, a jurisdiction outside of the United States; or
- One or more types of accounts.¹

Upon making such a finding, the Secretary is authorized to require domestic financial institutions and domestic financial agencies to take certain “special measures.”² The five special measures

¹ 31 U.S.C. 5318A(a)(1).

² On October 26, 2001, the President signed into law the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 (USA PATRIOT Act). Title III of the USA PATRIOT Act amended the anti-money laundering (AML) provisions of the Bank Secrecy Act (BSA) to promote the prevention, detection, and prosecution of international money laundering and the financing of terrorism. The BSA, as amended, is the popular name for a collection of statutory authorities that FinCEN administers that is codified at 12 U.S.C. 1829b, 1951-1960 and 31 U.S.C. 5311-5314, 5316-5336, and

set out in section 311 are safeguards that may be employed to defend the U.S. financial system from money laundering and terrorist financing risks. The Secretary may impose one or more of these special measures to protect the U.S. financial system from such threats. Through special measures one through four, the Secretary may impose additional recordkeeping, information collection, and reporting requirements on covered domestic financial institutions and domestic financial agencies—collectively, “covered financial institutions.”³ Through special measure five, the Secretary may “prohibit, or impose conditions upon, the opening or maintaining in the United States of a correspondent account or payable-through account” for or on behalf of a foreign banking institution, if such correspondent account or payable-through account involves the foreign financial institution found to be of primary money laundering concern.⁴

Before making a finding that reasonable grounds exist for concluding that a financial institution operating outside of the United States (or other jurisdiction, account, or class of transactions) is of primary money laundering concern, the Secretary is required to consult with both the Secretary of State and the Attorney General.⁵ In addition, in the case of a decision to apply one or more of the special measures, in making a finding that reasonable grounds exist for concluding that a financial institution operating outside of the United States is of primary money laundering concern, the Secretary is required to consider such information as the Secretary determines to be relevant, including the following potentially relevant institutional factors:

- The extent to which such a financial institution is used to facilitate or promote money laundering in or through a jurisdiction outside the United States, including any money laundering activity by organized criminal groups, international terrorists, or entities involved in the proliferation of weapons of mass destruction (WMD) or missiles;

includes other authorities reflected in notes thereto. Regulations implementing the BSA appear at 31 CFR Chapter X.

³ 31 U.S.C. 5318A(b)(1)–(4). For purposes of this proposed rule, the term “covered financial institution” has the same meaning as provided at 31 CFR 1010.605(e)(1).

⁴ 31 U.S.C. 5318A(b)(5).

⁵ 31 U.S.C. 5318A(c)(1).

- The extent to which such a financial institution is used for legitimate business purposes in the jurisdiction; and
- The extent to which such action is sufficient to ensure, with respect to transactions involving the jurisdiction and institutions operating in the jurisdiction, that the purposes of section 311 continue to be fulfilled, and to guard against international money laundering and other financial crimes.⁶

In selecting one or more special measures, the Secretary “shall consult with the Chairman of the Board of Governors of the Federal Reserve System, any other appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act), the Secretary of State, the Securities and Exchange Commission, the Commodity Futures Trading Commission, the National Credit Union Administration Board, and in the sole discretion of the Secretary, such other agencies and interested parties as the Secretary may find appropriate.”⁷ When imposing special measure five, the Secretary must do so “in consultation with the Secretary of State, the Attorney General, and the Chairman of the Board of Governors of the Federal Reserve System.”⁸

In addition, the Secretary is required to consider the following factors:

- Whether similar action has been or is being taken by other nations or multilateral groups;
- Whether the imposition of any particular special measure would create a significant competitive disadvantage, including any undue cost or burden associated with compliance, for financial institutions organized or licensed in the United States;
- The extent to which the action or the timing of the action would have a significant adverse systemic impact on the international payment, clearance, and settlement system,

⁶ 31 U.S.C. 5318A(c)(2)(B)(i)-(iii). In addition, in the case of a finding relating to a particular jurisdiction, section 311 sets out certain “jurisdictional factors” that the Secretary may consider, which are not relevant here. *See* 31 U.S.C. 5318A(c)(2)(A)(i)-(vii).

⁷ 31 U.S.C. 5318A(a)(4)(A).

⁸ 31 U.S.C. 5318A(b)(5). Prior to issuing this proposed rule, FinCEN consulted with representatives and staff of the Board of Governors of the Federal Reserve System, the Office of Comptroller of the Currency, the Secretary of State, the staff of the Securities and Exchange Commission, staff of the National Credit Union Administration, the Federal Deposit Insurance Corporation, and the Attorney General. These consultations involved obtaining interagency views on all aspects of this proposed rule. Those views are reflected in FinCEN’s explanation of the reasons for issuing this proposed rule.

or on legitimate business activities involving the particular jurisdiction, institution, class of transactions, or type of account; and

- The effect of the action on United States national security and foreign policy.⁹

The authority of the Secretary to administer the Bank Secrecy Act (BSA) and its implementing regulations, including the authority under section 311 to make such a finding and to impose special measures, has been delegated to the Director of FinCEN.¹⁰

II. Prior Finding that Huione Group Is of Primary Money Laundering Concern and Imposition of Special Measure

Huione Group¹¹ is a financial services conglomerate based in Phnom Penh, Cambodia.¹²

Huione Group is the parent company of, or otherwise controls, several subsidiaries, affiliates, and components—including, but not limited to: Haowang Guarantee, Huione Pay PLC, and Huione Crypto (collectively, Components)—that coordinate to provide services that are useful for money laundering and carrying out cyber scams. FinCEN assesses that, as discussed below, Huione Group and its subsidiaries, affiliates, and components, including the Components, operate as a coordinated collective, and for that reason, FinCEN will correspondingly refer to Huione Group and its Components as the “Huione Group.”

Although it was originally incorporated in Hong Kong in 2018 as Huione Group Limited, Huione Group, the controlling entity of the conglomerate, does not appear to be registered as a

⁹ 31 U.S.C. 5318A(a)(4)(B)(i)-(iv).

¹⁰ Treasury Order 180-01 (Jan. 14, 2020).

¹¹ Huione Group is the parent company of several subsidiaries and components, including Haowang Guarantee, Huione Pay PLC, and Huione Crypto. FinCEN assesses that this grouping of exchange services operates as a coordinative collective, and for that reason, FinCEN will correspondingly refer to the collective as the “Huione Group.”

¹² Cambodia Corporate Registry, “*Huione*” Search, <https://www.businessregistration.moc.gov.kh/cambodia-master/service/create.html?targetAppCode=cambodia-master&targetRegisterAppCode=cambodia-br-companies&service=registerItemSearch> (last accessed Oct. 7, 2025); Huione Pay, *Index*, formerly available at <https://www.huionepay.com.kh/index/help>; Huione Group, *About*, formerly available at <https://huione.com/html/about.jsp> (last accessed Sept. 24, 2024). Huione Crypto has numerous job announcements with a work location in Phnom Penh, Cambodia. See Huione Crypto, *Career Opportunities*, formerly available at <https://www.huione.io/en-US/careerOpportunities> (last accessed Mar. 27, 2025). Haowang Guarantee also lists job announcements with a work location in Phnom Penh, Cambodia. See Haowang Guarantee, *About*, formerly available at <https://www.hwdb.la/about/> (last accessed Mar. 27, 2025). This information was available as of the issuance of the NPRM, however, it has since been removed by Haowang Guarantee, resulting in a “page not found” error. FinCEN assesses that this change is more likely than not caused by negative public attention following a series of reports by blockchain analytic firms on money laundering occurring at Huione Group.

business in any jurisdiction,¹³ and several of Huione Group’s Components have been registered outside of Cambodia. Nevertheless, Huione Group’s website is registered¹⁴ to an individual with a listed location of Phnom Penh, Cambodia and Huione Group’s operations are principally carried out in Cambodia.

For years, Huione Group has laundered illicit proceeds from cybercrimes—namely, cyber heists carried out by the Lazarus Group,¹⁵ an entity sanctioned by Treasury’s Office of Foreign Assets Control (OFAC)—and Convertible Virtual Currency (CVC) investment scams carried out by transnational criminal organizations (TCOs) based in Southeast Asia.¹⁶

On May 5, 2025, FinCEN issued a notice of proposed rulemaking (First NPRM) that found that reasonable grounds exist for concluding that Huione Group is a financial institution operating outside the United States of primary laundering concern.¹⁷ On October 16, 2025, FinCEN issued a final rule (Final Rule) that prohibits covered U.S. financial institutions from opening or maintaining a correspondent account for, or on behalf of Huione Group, as defined in that Final Rule.¹⁸ The provisions of the Final Rule are codified at 31 CFR 1010.664.

A. Finding that Huione Group Is of Primary Money Laundering Concern

Huione Group is a parent entity that controls the following Components:¹⁹ Haowang Guarantee; Huione Pay PLC; and Huione Crypto. FinCEN found that reasonable grounds exist to conclude that Huione Group and each of its Components engages in the business of money

¹³ Hong Kong Companies Registry, *Huione Group Limited*, at p. 54, https://www.cr.gov.hk/docs/wrpt/RNC063_2018.12.17-2018.12.23.pdf.

¹⁴ The registration is valid through June 3, 2026. See ICANN, *Huione.com*, <https://lookup.icann.org/en/huione.com> (last accessed Oct. 7, 2025).

¹⁵ The Lazarus Group is an agency, instrumentality, or controlled entity of the government of the Democratic People’s Republic of Korea, that has stolen large volumes of Convertible Virtual Currency in numerous and often widely reported cyber heists. On September 13, 2019, the Lazarus Group was sanctioned by OFAC. See Department of the Treasury, Press Release, *Treasury Sanctions North Korean State-Sponsored Malicious Cyber Groups* (Sept. 13, 2019), <https://home.treasury.gov/news/press-releases/sm774>.

¹⁶ These scams are also referred to as “pig butchering.” See FinCEN, FIN-2023-Alert005, *FinCEN Alert on Prevalent Virtual Currency Investment Scam Commonly Known as “Pig Butchering”* (Sept. 8, 2023), https://www.fincen.gov/sites/default/files/shared/FinCEN_Alert_Pig_Butchering_FINAL_508c.pdf.

¹⁷ FinCEN, *Special Measure Regarding Huione Group, as a Foreign Financial Institution of Primary Money Laundering Concern*, 90 FR 18934 (May 5, 2025).

¹⁸ FinCEN, *Imposition of Special Measure Regarding Huione Group, as a Foreign Financial Institution of Primary Money Laundering Concern*, 90 FR 48295 (Oct. 16, 2025); see 31 CFR 1010.664.

¹⁹ As explained further in Section III.B, since the NPRM was issued Huione Group has changed its business structure in an effort to counter governmental scrutiny, including the special measure finalized last year.

transmission, and that Huione Group is therefore a financial institution under the BSA and its implementing regulations. FinCEN also determined that Huione Group and each of its Components, including, but not limited to, Huione Pay PLC, are financial institutions operating outside of the United States.

1. *Huione Group*

Huione Group is a Cambodia based, Hong Kong-registered,²⁰ sole proprietorship founded in or around 2014, that appears to be owned and controlled by an individual Cambodian national,²¹ and at times holds itself out as the parent entity of the Components.²² By its own account, Huione Group began as a fiat currency exchange service and over the past decade, expanded its commercial interests to include finance, insurance, real estate entities,²³ and most recently, CVC exchange services.²⁴ The Components operate in an interconnected fashion to provide an integrated payment service provider, illicit online market, and CVC exchanger (a type of virtual asset service provider or VASP).

Huione Group, as an individual entity, coordinates its Components' activities by operating the customer service and public relations functions of the Huione Group. Huione

²⁰ Hong Kong Companies Registry, *Huione Group Limited*, at p. 54, https://www.cr.gov.hk/docs/wrpt/RNC063_2018.12.17-2018.12.23.pdf.

²¹ See The Record, *Tether freezes \$29 million of cryptocurrency connected to Cambodian marketplace accused of fueling scams* (July 15, 2024), <https://therecord.media/tether-freezes-29-million-crypto-connected-to-scam-marketplace>.

²² See, e.g., Elliptic, *Huione: The Company Behind the Largest Ever Illicit Online Marketplace Has Launched a Stablecoin* (Jan. 14, 2025), <https://www.elliptic.co/blog/huione-largest-ever-illicit-online-marketplace-stablecoin>; Elliptic, *Huione Guarantee: The multi-billion dollar marketplace used by online scammers* (July 9, 2024, updated Mar. 27, 2025), <https://www.elliptic.co/blog/cyber-scam-marketplace>; Chainalysis, *2024 Crypto Crime Mid-year Update Part 2: China-based CSAM and Cybercrime Networks on the Rise, Pig Butchering Scams Remain Lucrative* (Aug. 29, 2024), <https://www.chainalysis.com/blog/2024-crypto-crime-mid-year-update-part-2/>; ABC News, *Cambodian online marketplace outed as one-stop shop for scammers' money laundering and 'detention equipment' needs* (July 26, 2024), <https://www.abc.net.au/news/2024-07-27/online-marketplace-for-money-laundering-and-scammers/104131624>; Huione Crypto, *Terms and Conditions*, formerly available at <https://www.huione.io/en-US/termsAndConditions/userAgreement> (last accessed Mar. 27, 2025). The Huione Group website is no longer accessible, which FinCEN assesses is likely a response to negative public attention following a series of reports by blockchain analytic firms on money laundering occurring at Huione Group.

²³ Huione Group, *Who We Are*, formerly available at <https://www.huione.com/html/about.jsp> (last accessed Sept. 24, 2024).

²⁴ Huione Crypto, *Introduce*, formerly available at <https://www.huione.io/en-US/introduce> (last accessed Mar. 26, 2025).

Group has historically done this by hosting Telegram channels²⁵ to aid customers experiencing problems with the services that the Components provide.²⁶ One of Huione Group's Telegram channels also provides public relations commentary on behalf of the whole of the Huione Group network.²⁷ Through coordination by Huione Group, Huione Group's Components all share CVC infrastructure, making it challenging to ascertain the specific Component involved in a particular transaction.

As reflected in the Final Rule, FinCEN found that reasonable grounds exist to conclude that Huione Group is a money transmitter. By providing customer service and public relations services on behalf of the Components, Huione Group is itself part of a network of people who engage as a business in facilitating the transfer of money. Furthermore, through Huione Group's apparent control of the Components (each of which is itself a money transmitter and responds to Huione Group's coordination of the Components' business activities such that they form a self-contained ecosystem of exchange, payment, and market services), Huione Group is engaged as a business in the transmission of value that substitutes for currency. Accordingly, FinCEN found that reasonable grounds exist to conclude that Huione Group is a financial institution as defined by the BSA and as that term is used in section 311.

Furthermore, based on publicly available information, Huione Group is operated by a Cambodian person, from Phnom Penh, Cambodia.²⁸ The Huione Group website is registered to a Cambodian address in Phnom Penh, uses a Cambodian Top-Level Domain, and communicates predominately in the Chinese language via a Cambodian website and one or more Telegram

²⁵ Following the issuance of the NPRM, Telegram blocked Huione Group's telegram channels, which Haowang Guarantee notified customers of on its website. Haowang Guarantee, *Announcements*, formerly available at <https://www.hwbd.la/announcement> (last accessed May 15, 2025).

²⁶ Telegram, *Huione Group Customer Service Center*, formerly available at <https://t.me/huionekf/138> (last accessed Mar. 27, 2025).

²⁷ See, e.g., Telegram, *Huione Group Customer Service*, *Huione Statement* (Mar. 9, 2025), formerly available at <https://t.me/huionekf/346>.

²⁸ The Record, *Tether freezes \$29 million of cryptocurrency connected to Cambodian marketplace accused of fueling scams* (July 15, 2024), <https://therecord.media/tether-freezes-29-million-crypto-connected-to-scam-marketplace>; see also ICANN, *Huione.com*, <https://lookup.icann.org/en/huione.com>; Elliptic, *Huione Guarantee: The multi-billion dollar marketplace used by online scammers* (July 9, 2024, updated Mar. 27, 2025), <https://www.elliptic.co/blog/cyber-scam-marketplace>.

channels operated from Cambodia.²⁹ Accordingly, FinCEN found that reasonable grounds exist to conclude that Huione Group is operated from and located in Cambodia and thus operates outside of the United States.³⁰

2. *Huione Pay PLC*

Of note, Huione Pay PLC is a Component of the Huione Group that, as of January 2025, was registered³¹ as a payment services institution with the National Bank of Cambodia.³² Although as of July 30, 2025, the Huione Pay PLC website was inaccessible, Huione Pay PLC offered—as explained in the Final Rule—its customers the ability to trade CVC on different blockchains, and to convert CVC to or from various fiat currencies.³³ Part of Huione Pay PLC, Huione International Payments, acted as a merchant on Haowang Guarantee’s platform, exchanging CVC to facilitate the transfer of the proceeds of cyber scams.³⁴ Huione Pay PLC previously held the local equivalent of a money transmitting business license issued by the Kingdom of Cambodia and engaged in the exchange of CVC in a manner consistent with the

²⁹ On May 13, 2025, Telegram shut down Huione Group’s Telegram channel, however, there is evidence that Huione Group is creating new channels under different names to circumvent the action taken by Telegram.

³⁰ FinCEN is not aware of any physical presence by Huione Group or the Components in the United States, or any substantial business with customers in the United States. Accordingly, FinCEN found that there are reasonable grounds to conclude that Huione Group, including the Components, are foreign financial institutions that operate outside the United States.

³¹ National Bank of Cambodia, *List of Payment Service Institutions* (Dec. 31, 2024), https://www.nbc.gov.kh/english/supervision/payment_service.php (last accessed Mar. 21, 2025). The National Bank of Cambodia’s List of Payment Service available on its website only reflects the most recent reporting period. As such, the information presented by FinCEN reflects information that was available at the time indicated, in this example, the above-mentioned information indicates that as of March 21, 2025, Huione Pay PLC was registered as a payment service institution. Future references to this list correspondingly indicate the information as it was available on the date indicated.

³² Until December 2023, there was a likely related entity, “Huione Pay,” registered as a money services business in Canada, which was incorporated in the country as Huione Pay Inc. Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), Money Services Business Registry, *Huione Pay Inc.*, <https://fintrac-canafe.canada.ca/msb-esm/reg-eng> (last accessed Mar. 13, 2025). In March 2025, Huione Group advertised its plans to expand Huione Pay PLC into new markets, including in North America. Telegram, *Huione Group Customer Service, Huione Statement* (Mar. 9, 2025), formerly available at <https://t.me/huionekf/346>.

³³ Huione Pay website, *Index*, formerly available at <https://www.huionepay.com.kh/index/help> (last accessed Mar. 27, 2025); FinCEN, *Imposition of Special Measure Regarding Huione Group, as a Foreign Financial Institution of Primary Money Laundering Concern*, 90 FR 48295 (Oct. 16, 2025); see also 31 CFR 1010.664.

³⁴ FinCEN assesses that Huione International Payments is part of Huione Pay PLC and that the entity supports Haowang Guarantee’s facilitation of transactions connected to money laundering activities. See Elliptic, *Huione Guarantee: The multi-billion dollar marketplace used by online scammers* (July 9, 2024, updated Mar. 27, 2025), <https://www.elliptic.co/blog/cyber-scam-marketplace>; The New York Times, *How Scammers Launder Money and Get Away With It* (Mar. 23, 2025), <https://www.nytimes.com/2025/03/23/world/asia/cambodia-money-laundering-huione.html>.

definition of a money transmitting business.³⁵ Accordingly, as reflected in the Final Rule, FinCEN found that reasonable grounds exist to conclude that Huione Pay PLC is a financial institution as that term is used in the BSA and section 311.

Moreover, in the Final Rule, FinCEN found that reasonable grounds exist to conclude that Huione Pay PLC operates outside of the United States. Huione Pay PLC operates, or has operated, eight Cambodian domestic branch locations, located in Battambang, Phnom Penh, Poipet, Siem Reap, and Sihanoukville.³⁶ Huione Pay PLC has advertised on social media that it has, or had, operated a branch in Laukkaing,³⁷ the capital of the Kokang Self-Administered Zone in northern Burma and a known center for criminal CVC investment scams, before a 2023-2024 crackdown shuttered the majority of these operations.³⁸ As noted above, Huione Pay PLC held a corporate registration in Cambodia as well as a payment services institution license, both of which have been revoked as of March 2025.³⁹ Based on the foregoing, FinCEN found that reasonable grounds exist to conclude that Huione Pay PLC is operated from and located in Cambodia, and thus operates outside of the United States.

3. Huione Group and Its Components Are of Primary Money Laundering Concern

In the Final Rule, FinCEN further found that Huione Group (defined to include each of the Components, including, but not limited to, Huione Pay PLC) is of primary money laundering concern. As stated in the Final Rule, FinCEN assessed that Huione Group is used to facilitate

³⁵ National Bank of Cambodia, *List of Payment Service Institutions* (Dec. 31, 2024), https://www.nbc.gov.kh/english/supervision/payment_service.php (last accessed Mar. 21, 2025).

³⁶ Telegram, *Huione Branch, formerly available at* <https://t.me/huionestoreaddress/7> (last accessed Mar. 27, 2025).

³⁷ Telegram, *Huione Group Customer Service Center, formerly available at* <https://t.me/huionekf/138> (last accessed Mar. 27, 2025).

³⁸ Recorded Future, *Myanmar rebels take control of 'pig butchering' scam city amid China pressure on junta* (Jan. 8, 2024), <https://therecord.media/myanmar-rebels-control-pig-butchering-scam-hub>.

³⁹ National Bank of Cambodia, *List of Payment Service Institutions* (Dec. 31, 2024), https://www.nbc.gov.kh/english/supervision/payment_service.php (last accessed Mar. 21, 2025). As of March 31, 2025, Huione Pay PLC is no longer listed as having an active license for “other financial services activities.” National Bank of Cambodia, *List of Payment Service Institutions* (Mar. 31, 2025), https://www.nbc.gov.kh/english/supervision/payment_service.php (last accessed Oct 7, 2025). As of July 30, 2025, Huione Pay PLC has also lost its corporate registration. See Cambodia Corporate Registry, *Huione Search*, <https://www.businessregistration.moc.gov.kh/cambodia-master/service/create.html?targetAppCode=cambodia-master&targetRegisterAppCode=cambodia-br-companies&service=registerItemSearch> (last accessed July 29, 2025).

and promote money laundering, particularly in support of illicit financial activities connected to the Democratic People's Republic of Korea (DPRK) and Southeast Asia-based TCOs.⁴⁰ Because Huione Group has shared infrastructure with its constituent entities, the structure makes it challenging to ascertain the specific Component involved in any particular transaction.

Nevertheless, FinCEN based this assessment on information available through both public and non-public reporting, and after thorough consideration of each of the following factors:

(1) Huione Group provides services that DPRK government entities use to launder the proceeds of cyber heists; (2) TCOs based in Southeast Asia have used Huione Group to launder illicit proceeds of cyber scams, including CVC investment scams; and (3) Huione Group operates an illicit online market.⁴¹

With this notice of proposed rulemaking, FinCEN does not alter its assessment that Huione Group is a financial institution operating outside the United States of primary money laundering concern.

B. Imposition of Special Measure Prohibiting the Opening or Maintaining of Correspondent Accounts For or On Behalf of Huione Group

Consistent with the finding that Huione Group is a foreign financial institution of primary money laundering concern and in consideration of additional relevant factors, FinCEN imposed, under special measure five, a prohibition on covered financial institutions from opening or maintaining a correspondent account for, or on behalf of, Huione Group in order to guard against the money laundering risks to the U.S. financial system posed by Huione Group, as identified in the First NPRM, Final Rule, and this notice of proposed rulemaking.⁴² That special measure remains in effect.

⁴⁰ FinCEN, *Imposition of Special Measure Regarding Huione Group, as a Foreign Financial Institution of Primary Money Laundering Concern*, 90 FR 48295, 48296 (Oct. 16, 2025).

⁴¹ For additional details on FinCEN's assessment with respect to Huione Group's facilitation and promotion of money laundering, see the discussion in the Final Rule at 90 FR at 48300–48303. FinCEN, *Imposition of Special Measure Regarding Huione Group, as a Foreign Financial Institution of Primary Money Laundering Concern*, 90 FR 48295, 48300–48303 (Oct. 16, 2025).

⁴² For additional details on FinCEN's imposition of special measure five, see the Final Rule published at 90 FR at 48305–48306. FinCEN, *Imposition of Special Measure Regarding Huione Group, as a Foreign Financial Institution of Primary Money Laundering Concern*, 90 FR 48295 (Oct. 16, 2025); see 31 CFR 1010.664.

III. Proposed Rule

A. Summary

FinCEN is issuing this notice of proposed rulemaking to address Huione Group's efforts to circumvent the previously imposed special measure by continuing to operate as a financial institution outside the United States under a different name. This proposed rule is necessary to protect the U.S. financial system and the national security of the United States. This proposed rule, issued pursuant to section 311, would amend the definition of Huione Group⁴³ to include "H-Pay Service PLC and any successor entity" of Huione Group, and would further add and define the term "successor entity."

B. Huione Group's Efforts to Circumvent the Special Measure, Including Huione Pay PLC's Name Change to H-Pay Service PLC

Based on public and non-public information, FinCEN assesses that H-Pay Service PLC (H-Pay) is a financial institution operating outside the United States that is not only of primary money laundering concern as a component of Huione Group, but also that the transition within the Huione Group of operations from Huione Pay PLC to H-Pay represents an effort, consistent with past practice, of the Huione Group to evade public scrutiny and circumvent the special measure imposed through the Final Rule.

H-Pay is a newly operational component of the Huione Group that FinCEN assesses has, following the publication of the First NPRM and Final Rule, effectively assumed the business role of Huione Pay PLC within the Huione Group.

As an initial matter, H-Pay was licensed in Cambodia as a "payment services institution"⁴⁴ and advertises offering services such as worldwide payments, savings accounts, and mobile banking.⁴⁵ FinCEN assesses that H-Pay is engaged as a business in the transmission

⁴³ This proposed final rule does not remove any of the named Huione Group components as established in 31 CFR 1010.664. *See* 31 CFR 1010.664; *see also* FinCEN, *Imposition of Special Measure Regarding Huione Group, as a Foreign Financial Institution of Primary Money Laundering Concern*, 90 FR 48295 (Oct. 16, 2025).

⁴⁴ National Bank of Cambodia, *List of Payment Service Institutions* (as of Sept. 30, 2025), https://www.nbc.gov.kh/download_files/data/khmer/KH/EN-PSIs.pdf.

⁴⁵ H-Pay Service PLC's website, www.h-pay.com (last accessed Mar. 19, 2026).

of currency due to these service offerings. Accordingly, FinCEN finds reasonable grounds exist to conclude that H-Pay is a money transmitter, which is a type of financial institution as that term is used in the BSA and section 311.

Further, based on public and non-public information, FinCEN assesses that H-Pay is a component of the Huione Group—closely linked to Huione Pay PLC—and operating outside the United States. Although FinCEN assesses that Huione Pay PLC remains a financial institution of primary money laundering concern,⁴⁶ Huione Pay PLC’s ability to freely operate has been increasingly constrained. In particular, a March 6, 2025 media report indicated that Huione Pay PLC’s banking license was revoked by the Cambodian government.⁴⁷ According to a July 31, 2025 update, the National Bank of Cambodia rescinded this license by updating its list of “Payment Service Institutions.”⁴⁸ Further, as of March 2025, Huione Pay PLC was registered with the Cambodian Ministry of Commerce for “other financial service activities;” however, as of July 29, 2025, it no longer appears in the Ministry of Commerce’s business registration database, indicating that Huione Pay PLC lacks an active corporate registration or payment service license.⁴⁹

As Huione Pay PLC’s operations have become restricted, FinCEN assesses that H-Pay has assumed its place. Despite incorporating in 2024,⁵⁰ H-Pay was not listed as a licensed

⁴⁶ Shortly after publication of the NPRM in May 2025, Huione Pay began removing signage from its headquarters and other branches. When contacted by a journalist about this change, a Huione Pay employee claimed that Huione Pay was “operating as usual,” despite Huione Pay’s license being revoked in March 2025. Cambodian Journalists Alliance Association, *Huione Pay Removes Sign After U.S. Blacklist Move* (May 7, 2025), www.cambojanews.com/huione-pay-removes-sign-after-u-s-blacklist-move/. At present, FinCEN has no information confirming that Huione Pay PLC has wholly ceased operations.

⁴⁷ See Radio Free Asia, *Exclusive: World’s Largest online black market’ Loses banking license* (Mar. 6, 2025), <https://www.rfa.org/english/cambodia/2025/03/06/huione-cambodia-cyberescam-cryptocurrency/>. Huione Group responded to the allegations, refuting them by noting that Huione Pay PLC does not require a banking license for its operations. Telegram, *Huione Group Customer Service, Huione Statement* (Mar. 9, 2025), formerly available at <https://t.me/huionekf/346>. As of March 31, 2025, Huione Pay PLC is no longer listed as having an active license for “other financial services activities.” National Bank of Cambodia, *List of Payment Service Institutions* (Mar. 31, 2025), https://www.nbc.gov.kh/english/supervision/payment_service.php (last accessed May 14, 2025).

⁴⁸ National Bank of Cambodia, *List of Payment Service Institutions* (July 31, 2025), https://www.nbc.gov.kh/english/supervision/payment_service.php (last accessed Oct. 7, 2025).

⁴⁹ Cambodia Corporate Registry, *Huione Search*, <https://www.businessregistration.moc.gov.kh/cambodia-master/service/create.html?targetAppCode=cambodia-master&targetRegisterAppCode=cambodia-br-companies&service=registerItemSearch> (last accessed Mar. 27, 2025; July 29, 2025).

⁵⁰ Kingdom of Cambodia, Business Registration, *H-PAY SERVICE PLC. (00074959) General Details*, <https://www.businessregistration.moc.gov> (last accessed Dec. 11, 2025).

payment service institution by the National Bank of Cambodia until June 2025, after the National Bank of Cambodia revoked Huione Pay PLC’s license, the Ministry of Commerce apparently delisted Huione Pay PLC, and FinCEN issued the First NPRM.⁵¹ H-Pay originally utilized an address⁵² in the same building as the flagship location of Panda Commercial Bank PLC, a financial institution in Cambodia that has reportedly been linked to Huione Pay PLC and the Huione Group and that has had its license revoked (and been forced into liquidation) by the National Bank of Cambodia.⁵³ After that point, FinCEN assesses that H-Pay assumed Huione Pay PLC’s physical and operational footprint. Shortly after publication of the First NPRM in May 2025, Huione Pay PLC began removing signage from its headquarters and other branches,⁵⁴ and by November 2025, signs for H-Pay replaced Huione Pay PLC signs at both their headquarters location and at multiple other branches.⁵⁵ At the same time, a still-active Huione Pay hotline even referred a journalist to use H-Pay’s app to continue accessing Huione Pay’s services.⁵⁶ And, as of December 2025—following a “bank run” on H-Pay⁵⁷—H-Pay customers were advised—through a Chinese-language note on the door of the H-Pay headquarters—of a “Huione Deferred Payment Plan” for their deposits in H-Pay,⁵⁸ providing evidence of continued Huione Group—and specifically, Huione Pay—operations through H-Pay.

⁵¹ National Bank of Cambodia, *List of Payment Service Institutions*, https://www.nbc.gov.kh/download_files/data/khmer/KH/EN-PSIs.pdf (as of June 30, 2025).

⁵² National Bank of Cambodia, *List of Payment Service Institutions* (Mar. 31, 2025), https://www.nbc.gov.kh/english/supervision/payment_service.php (last accessed Oct 7, 2025); Kingdom of Cambodia Ministry of Commerce Business Registration, *H-PAY SERVICE PLC. (00074959) Addresses*, www.businessregistration.moc.gov.kh (last accessed Dec. 30, 2025).

⁵³ Cambodian Journalists Alliance Association, *National Bank Revokes Panda Bank License, Orders Liquidation* (Feb. 24, 2026), www.cambojanews.com/national-bank-revokes-panda-bank-license-orders-liquidation/. Huione Group has a history of claiming to be affiliated with Panda Bank. For example, a post from @hwdbgs, a now-deleted Huione Guarantee-affiliated Telegram channel, claimed that Panda Bank was a subsidiary of Huione Group. Additionally, now-deactivated website for Huione Group’s insurance arm advertised on its website, as recently as 2024, that its shareholders also owned Huione Pay and Panda Bank. Telegram, @hwdb Channel (Apr. 5, 2022), archived at tgstat.com/channel/@hwdbgs.

⁵⁴ Cambodian Journalists Alliance Association, *Huione Pay Removes Sign After U.S. Blacklist Move* (May 7, 2025), www.cambojanews.com/huione-pay-removes-sign-after-u-s-blacklist-move/.

⁵⁵ Cambodian Journalists Alliance Association, *H-Pay Emerges From Sanctioned Huione Pay, Panda Bank Links Noted* (Nov. 27, 2025), www.cambojanews.com/h-pay-emerges-from-sanctioned-huione-pay-panda-bank-links-noted/.

⁵⁶ *Id.*

⁵⁷ Cambodian Journalists Alliance Association, *Huione Pay Pulls Rebrand Sign, Freezes Accounts After CamboJA Report* (Dec. 3, 2025), www.cambojanews.com/huione-pay-pulls-rebrand-sign-freezes-accounts-after-camboja-report/.

⁵⁸ *Id.*

More evidence of H-Pay's links to Huione Pay can be found in H-Pay's early branding. A logo visible on H-Pay's website in August 2025 bears a strong resemblance to Huione Pay's logos advertised on its websites, some of which remain active, featuring a red emblem with two curved laurel wreaths which form an almost complete circle.⁵⁹ By December 2025, H-Pay's logo on its website was altered to remove the two curved laurel wreaths,⁶⁰ which FinCEN assesses is an attempt to obfuscate its connection to Huione Pay.

Additionally, a scam compound called “#8 Park”⁶¹ that hosted a physical Huione Pay store and also bore signage for a company allegedly linked to the OFAC-sanctioned “Prince Group” TCO,⁶² was reportedly also known as “Huione Park.”⁶³ Following the disruption of Huione Pay's business, its branch in the compound was replaced with a new company, “H-Pay,”⁶⁴ which has been publicly characterized as a “rebrand” of Huione Pay.⁶⁵ This H-Pay location was so vital to the compound that the #8 Park administrators had declared H-Pay to be the mandatory payment platform inside the complex.⁶⁶ As described in the Final Rule, Huione Pay lost its license to operate as a payment service institution, as of March 31, 2025.⁶⁷

Importantly, Huione Group's efforts to replace Huione Pay PLC with H-Pay follows the pattern of conduct that Huione Group has used following previous instances of negative public attention. Specifically, Huione Group has used name changes and creation or co-option of new

⁵⁹ H-Pay's website, *formerly available at* www.h-pay.com (last accessed Aug. 18, 2025); Huione Pay's website, www.dev.huione.com (last accessed Aug. 18, 2025).

⁶⁰ H-Pay's website, *formerly available at* www.h-pay.com (last accessed Dec. 9, 2025).

⁶¹ On March 26, 2026, the United Kingdom's Foreign, Commonwealth, and Development Office sanctioned a number of scam compound associated entities, including Legend Innovation Company, the operator of #8 Park. FCDO, *UK Crackdown on Vile Scam Centres Steps Up with Sanctions on Illicit Crypto Network* (Mar. 26, 2026) <https://www.gov.uk/government/news/uk-crackdown-on-vile-scam-centres-steps-up-with-sanctions-on-illicit-crypto-network>.

⁶² On October 14, 2025, OFAC sanctioned 146 targets within the Cambodia-based Prince Group Transnational Criminal Organization (Prince Group). Treasury, Press Release, *U.S. and U.K. Take Largest Action Ever Targeting Cybercriminal Networks in Southeast Asia* (Oct. 14, 2025), <https://home.treasury.gov/news/press-releases/sb0278>.

⁶³ Elliptic, *#8 Park: Prince and Huione's role in a scam compound still operating amid crackdowns* (Feb. 4, 2026), <https://www.elliptic.co/blog/8-park-prince-and-huiones-role-in-a-scam-compound-still-operating-amid-crackdowns>.

⁶⁴ *Id.*

⁶⁵ KiriPost, *Rebranded H-Pay Freezes Withdrawals Amid Cash Crunch Following International Sanctions* (Dec. 1, 2025), <https://kiripost.com/stories/rebranded-h-pay-freezes-withdrawals-amid-cash-crunch-following-international-sanctions>.

⁶⁶ *See supra* note 63.

⁶⁷ National Bank of Cambodia, *List of Payment Service Institutions* (Mar. 31, 2025), https://www.nbc.gov.kh/english/supervision/payment_service.php (last accessed Oct 7, 2025)

or other entities as a method to circumvent public scrutiny and the finding and special measure placed upon it by FinCEN. For example, on October 19, 2024, following a spate of negative media reports detailing Huione Group's indiscretions, "Huione Guarantee" rebranded as "Haowang Guarantee."⁶⁸ Later, in December 2024, Haowang Guarantee announced it was buying a stake in another illicit marketplace, Tudou Guarantee.⁶⁹ Shortly after the publication of the First NPRM, Haowang Guarantee's illicit marketplace was reportedly banned from Telegram,⁷⁰ resulting in Haowang Guarantee announcing it would close on its website.⁷¹ Haowang Guarantee then began directing its former customers to the illicit marketplace, Tudou Guarantee, that it had invested in earlier.⁷² And, given the rapid transition of Huione Pay PLC operations, facilities, and branding to H-Pay, FinCEN assesses that Huione Pay PLC changing its name to H-Pay presents another example of the Huione Group attempting to circumvent the impact of Huione Pay's corporate delisting and loss of license, as well as, ultimately, enforcement of the Final Rule.

In an announcement on April 10, 2026, the National Bank of Cambodia reportedly revoked H-Pay's payment services license. However, given the continued operations of Huione Pay and its eventual migration to H-Pay after the National Bank of Cambodia revoked Huione Pay's license in March 2025, FinCEN has reason to believe the same pattern of activity will persist with H-Pay and a future, successor entity.

Therefore, for the reasons set out above, FinCEN assesses that reasonable grounds exist

⁶⁸ Telegram, *Haowang Guarantee Customer Service Channel* (Sept. 30, 2024), *formerly available at* <https://t.me/s/kefu> (last accessed Mar. 27, 2025).

⁶⁹ In the same post, Tudou Guarantee claimed that Tudou Guarantee and Haowang Guarantee are independent organizations. FinCEN assesses that this is not credible. The combination of overlap in customers, particularly following Haowang Guarantee's ban from Telegram, the ownership stake by Haowang Guarantee of Tudou Guarantee, and media reporting lead FinCEN to believe Tudou Guarantee subsumed Haowang Guarantee. Telegram, *@danbl0 Channel* (Dec. 14, 2024), <https://t.me/danbl0/16> (last accessed Jan. 14, 2026); Telegram, *@hwgq Channel* (Dec. 10, 2024), [tgstat.com/channel/@hwgq/249](https://t.me/hwgq/249) (last accessed Jan. 14, 2026).

⁷⁰ Reuters, *2 massive black market services blocked by Telegram, messaging app says* (May 15, 2025), <https://www.reuters.com/world/china/2-massive-black-market-services-blocked-by-telegram-messaging-app-says-2025-05-15/>.

⁷¹ Haowang Guarantee Website, *formerly available at* hwdb.la (last accessed on Nov. 11, 2025).

⁷² Elliptic, *Telegram dark markets expand to fill the gap left by Huione Guarantee* (Jun. 23, 2025), www.elliptic.co/blog/telegram-dark-markets-expand-to-fill-the-gap-left-by-huione-guarantee.

to conclude that H-Pay is a financial institution operating outside the United States, a Component of Huione Group that, like other Components of Huione Group is of primary money laundering concern, and, as such, should be included in the definition of Huione Group and subject to the special measure applicable to Huione Group.

C. Proposed Amended Definition of Huione Group

The Final Rule defines “Huione Group” to mean “all subsidiaries, branches, and offices of Huione Group operating as a financial institution in any jurisdiction outside of the United States, including Haowang Guarantee (formerly known as Huione Guarantee), Huione Pay PLC, and Huione Crypto Spółka Z Ograniczoną Odpowiedzialnością (d/b/a Huione Crypto).”⁷³

This proposed rule would amend the definition of Huione Group set forth at 31 CFR 1010.664(a)(1) to add: (1) H-Pay; and (2) the term “successor entity.” In addition, this proposed rule would define “successor entity” for purposes of this rule to mean any person that replaces Huione Group by acquiring its assets, in whole or in part, and/or carrying out the affairs of Huione Group under a new name.

IV. Section-by-Section Analysis

A. *Definition of Huione Group*

This proposed rule defines the term “Huione Group” in 31 CFR 1010.664(a)(1) means “all subsidiaries, branches, and offices of Huione Group operating as a financial institution in any jurisdiction outside of the United States, including Haowang Guarantee (formerly known as Huione Guarantee), Huione Pay PLC, Huione Crypto Spółka Z Ograniczoną Odpowiedzialnością (d/b/a Huione Crypto), and H-Pay Service PLC, as well as any successor entity.

B. *Definition of Successor Entity*

This proposed rule would also add a new definition, set forth at 31 CFR 1010.664(a)(6), to define the term “successor entity” for purposes of this rule to mean any person that replaces

⁷³ 31 CFR 1010.664(a)(1).

Huione Group, or any Component thereof, by acquiring its assets, in whole or in part, and/or carrying out the affairs of Huione Group under a new name. In the future, FinCEN may publish notifications of future name changes of Huione Group, or any Component thereof, should they occur.

V. Executive Order 14294

Section 5 of Executive Order 14294 directs that all future NPRMs and final rules published in the *Federal Register*, the violation of which may constitute criminal regulatory offenses, should include a statement identifying that the rule or proposed rule is a criminal regulatory offense and the authorizing statute.⁷⁴

Executive Order 14294 further directs that the regulatory text of all NPRMs and final rules with criminal consequences published in the Federal Register after May 9, 2025, should explicitly state a mens rea requirement for each element of a criminal regulatory offense, accompanied by citations to the relevant provisions of the authorizing statute.

Willful violations of the regulations set forth in this proposed rule may be subject to criminal penalties pursuant to 31 U.S.C. 5322 and regulations promulgated in 31 CFR Chapter X. The statutory authority for criminal liability requires a mens rea of willfulness as an element pursuant to 31 U.S.C. 5322(a) and 31 U.S.C. 5322(b). FinCEN's existing regulation, 31 CFR 1010.840, that sets out criminal penalties for violations of regulations promulgated in 31 CFR Chapter X also includes a mens rea of willfulness. In drafting this statement, FinCEN has consulted with the Department of Justice.

⁷⁴ Executive Order 14294, "Fighting Overcriminalization in Federal Regulations" 90 FR 20367 (issued May 9, 2025; published May 14, 2025), <https://www.federalregister.gov/executiveorder/14294>.

VI. Regulatory Impact Analysis

FinCEN has analyzed this proposed rule as required under Executive Order 12866,⁷⁵ Executive Order 13563,⁷⁶ the Regulatory Flexibility Act (RFA),⁷⁷ the Unfunded Mandates Reform Act (UMRA),⁷⁸ and the Paperwork Reduction Act (PRA).⁷⁹

The proposed amendments to the definition of Huione Group are expected to better ensure that the imposition of special measure five can achieve the intended effects as described in the First NPRM and Final Rule.⁸⁰ The analysis below presents an analysis of the expected incremental economic effects that FinCEN anticipates would accompany adoption of the amendments to the Final Rule as proposed and assesses such expectations in more granular detail. This discussion includes an explanation of how the assumptions in FinCEN's cost model and methodological choices have influenced the conclusions of the agency's analysis. The public is invited to comment on all aspects of FinCEN's practice.

A. Executive Orders

Executive Orders 12866 and 13563 direct agencies to assess costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects; distributive impacts; and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility.

⁷⁵ Executive Order 12866, *Regulatory Planning and Review*, 58 FR 51735 (issued Sept. 30, 1993; published Oct. 4, 1993).

⁷⁶ Executive Order 13563, *Improving Regulation and Regulatory Review*, 76 FR 3821 (issued Jan. 18, 2011; published Jan. 21, 2011).

⁷⁷ 5 U.S.C. 601 *et seq.*

⁷⁸ 2 U.S.C. 1532.

⁷⁹ 44 U.S.C. 3507(a)(1)(D).

⁸⁰ See FinCEN, *Special Measure Regarding Huione Group, as a Foreign Financial Institution of Primary Money Laundering Concern*, 90 FR 18934 (May 5, 2025); FinCEN, *Imposition of Special Measure Regarding Huione Group, as a Foreign Financial Institution of Primary Money Laundering Concern*, 90 FR 48295 (Oct. 16, 2025). As set out in the First NPRM and Final Rule, the rule is intended to: (1) combat and deter money laundering in facilitation of proliferation financing associate with Huione Group; and (2) prevent Huione Group from using the U.S. financial system to enable its illicit finance behavior.

It has been determined that this proposed rule is not a significant regulatory action under section 3(f) of Executive Order 12866. Accordingly, a regulatory impact analysis is not required.

B. Regulatory Flexibility Act

When an agency issues a rulemaking proposal, the Regulatory Flexibility Act (RFA) requires the agency to “prepare and make available for public comment an initial regulatory flexibility analysis” (IRFA) that will “describe the impact of the proposed rule on small entities.”⁸¹ However, section 605 of the RFA allows an agency to certify a rule, in lieu of preparing an analysis, if the proposed rulemaking is not expected to have a significant economic impact on a substantial number of small entities.

In the First NPRM, FinCEN considered that the rule would apply to all covered financial institutions and could thus potentially affect a substantial number of small entities. FinCEN then provided the reasons that led it to assesses that the imposition of special measure five on Huione Group would be unlikely to have a significant economic impact on such entities, and hence that certification was appropriate.⁸² FinCEN then continued its analysis of the potential economic impact of the impositions of special measure five, generally,⁸³ and in the Final Rule further concluded that it did not expect the rule to affect a substantial number of entities in practice, and that few if any of these entities would meet the criteria necessary to be considered small entities for the purposes of the RFA.⁸⁴ On this basis, FinCEN maintained that certification of the rule continued to be appropriate.

Since this proposed rule would amend a certified rule, FinCEN considered the likelihood that the incremental economic effects of the proposed amendments would, independently,

⁸¹ 5 U.S.C. 603(a).

⁸² See FinCEN, *Special Measure Regarding Huione Group, as a Foreign Financial Institution of Primary Money Laundering Concern*, 90 FR 18934, 18946 (Section VIII.B) (May 5, 2025).

⁸³ See, e.g., FinCEN, *Agency Information Collection Activities; Proposed Renewal; Comment Request: Renewal Without Change of Information Collection Requirements in Connection With the Imposition of Special Measures*, 90 FR 57279, 57280-57283 (Section II) (Dec. 10, 2025).

⁸⁴ 5 U.S.C. 601(3)-(5).

significantly impact a substantial number of small entities. Under the proposed amendments covered financial institutions would be required to take reasonable measures to detect use of their correspondent accounts to process transactions involving Huione Group as it would be newly defined by the proposed amendments to 1010.664(a). As previously taken into consideration, because all U.S. persons, including U.S. financial institutions, currently must comply with OFAC sanctions, and U.S. financial institutions generally have suspicious activity reporting requirements and systems in place to screen transactions to comply with OFAC sanctions and section 311 special measures administered by FinCEN, it is not foreseeable that adding H-Pay Services PLC to the definition of Huione Group would have a substantial impact. The systems that U.S. financial institutions have in place to comply with economic sanctions and BSA requirements can easily be modified to adapt to this addition.

However, it is less clear that the special due diligence that would be required under the proposed rule—*i.e.*, preventing the processing of transactions involving Huione Group and the transmittal of notification to certain correspondent account holders—would not impose a significant additional economic burden upon U.S. financial institutions because the proposed rule would also amend the definition of Huione Group to include any successor entity and both (1) the number of future successors and (2) the frequency with which such successor entities may arise and be identified are unknown.⁸⁵ FinCEN is therefore, as a conservative precaution, not taking the position that the proposed rule could not have a significant economic impact on a small covered financial institution. Instead, FinCEN is certifying that the proposed amendments to the Final Rule contained in this rulemaking would not have a significant impact on a substantial number of small businesses because it continues to expect, as in the Final Rule, that few, if any, covered financial institutions that maintain foreign correspondent accounts meet the applicable definitional criteria to be deemed a “small entity” under the RFA.

⁸⁵ FinCEN is requesting comment on the likelihood of additional successor entities and the expected burden associated with naming additional successor entities. *See infra* Section VI.D, Additional Requests for Comments, Question #3.

FinCEN invites comments from members of the public who believe there would be a significant economic impact on small entities from the imposition of a prohibition under the fifth special measure regarding Huione Group.

C. Unfunded Mandates Reform Act

Section 202 of the UMRA⁸⁶ requires that an agency prepare a budgetary impact statement before promulgating a rule that may result in expenditure by the State, local, and Tribal governments, in the aggregate, or by the private sector, of \$193 million or more in any one year (\$100 million in 1995, adjusted for inflation).^{87,88} If a budgetary impact statement is required, section 202 of the UMRA also requires an agency to identify and consider a reasonable number of regulatory alternatives before promulgating a rule.

FinCEN has determined that this proposed rule will not result in expenditures by State, local, and Tribal governments in the aggregate, or by the private sector, of \$193 million or more in any one year. Accordingly, FinCEN has not prepared a budgetary impact statement or specifically addressed the regulatory alternatives considered.

D. Paperwork Reduction Act

The recordkeeping and disclosure requirements in this proposed rule, which qualify as “collections of information” under the PRA, will be submitted to the Office of Management and Budget (OMB) for review in accordance with the PRA.⁸⁹ Under the PRA, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the OMB.⁹⁰ Written comments and recommendations for the amended prohibition can be submitted by visiting

⁸⁶ 2 U.S.C. 1532.

⁸⁷ *Id.*

⁸⁸ The U.S. Bureau of Economic Analysis reports the annual value of the gross domestic product implicit price deflator for calendar year 1995 (the year UMRA was enacted) as 66.939, and as 128.974 for calendar year 2025 (the most recent available). Thus, the inflation-adjusted estimate for \$100 million is $128.974 \div 66.939 \times \100 million, or \$192.7 million. U.S. Bureau of Economic Analysis, Table 1.1.9. Implicit Price Deflators for Gross Domestic Product.

⁸⁹ 44 U.S.C. 3507(a)(1)(D).

⁹⁰ 44 U.S.C. 3507(a)(3).

www.reginfo.gov/public/do/PRAMain. Find this particular document by selecting “Currently under Review—Open for Public Comments” or by using the search function. Comments are welcome and must be received by [30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. In accordance with requirements of the PRA, 44 U.S.C. 3506(c)(2)(A), and its implementing regulations, 5 CFR part 1320, the following information concerning the collection of information as required by 31 CFR 1010.664 is presented to assist those persons wishing to comment on the information collections.

The provisions in this proposed rule would extend the scope of the required collection of information found in sections 1010.664(b)(3)(i)(A) and 1010.664(b)(4) by including the additional parties defined in 1010.664(a)(1), as amended, and 1010.664(a)(6). As described in the Final Rule, the notification requirement in section 1010.664(b)(3)(i)(A) is intended to aid cooperation from foreign correspondent account holders in preventing transactions involving Huione Group from being processed by the U.S. financial system.⁹¹ The information required to be maintained by section 1010.664(b)(4) will continue to be used by federal agencies and certain self-regulatory organizations to verify compliance by covered financial institutions with the notification requirement in section 1010.664(b)(3)(i)(A). The additional collection of information resulting from the proposed amendment to the definition of Huione Group would be mandatory. The proposed rule does not modify the intended purpose of the Final Rule or the nature of the information required to be collected or disclosed. It would exclusively modify the scope of the parties included within the definition of “Huione Group.” FinCEN is revising the related PRA estimates covered by OMB control number 1506-0083 accordingly to account for the revised definition introduced by this proposed rule.

Frequency: As required.

⁹¹ See FinCEN, *Imposition of Special Measure Regarding Huione Group, as a Foreign Financial Institution of Primary Money Laundering Concern*, 90 FR 48295 (Oct. 16, 2025).

Description of Affected Financial Institutions: Only those covered financial institutions defined in section 1010.664(a)(3) that are engaged in correspondent banking with, or processing transactions potentially involving Huione Group, as defined in section 1010.664(b)(1) and (2) are expected to be affected.

Estimated Number of Potential Respondents: Approximately 14,575.

Table 1. Estimates of Covered Financial Institutions by Type

Financial Institution Type	Number of Entities
Banks with a Federal Functional Regulator (FFR) ^a	8,623 ^b
Banks without an FFR ^c	365 ^d
Broker-dealers in securities (Broker-dealers) ^e	3,278 ^f
Futures commission merchants (FCMs) and Introducing brokers in commodities (IBCs) ^g	954 ^h
Mutual funds ⁱ	1,355 ^j

^a See 31 CFR 1010.100(t)(1); *see also* 31 CFR 1010.100(d) and 31 CFR 1020.210(a).

^b This includes 4,336 Federal Deposit Insurance Corporation- (FDIC-) insured depository institutions (*i.e.*, federally regulated banks) according to the FDIC's *Quarterly Bank Profile* for Q4 2025, p. 2 (<https://www.fdic.gov/quarterly-banking-profile/past-quarterly-banking-profiles>). It also includes 4,287 National Credit Union Administration- (NCUA-) chartered credit unions (*i.e.*, federally regulated credit unions) as of December 31, 2025, according to NCUA's *Quarterly Credit Union Data Summary: 2025 Q4*, p. i (<https://ncua.gov/analysis/credit-union-corporate-call-report-data/quarterly-data-summary-reports>).

^c 31 CFR 1020.210(b).

^d The Board of Governors of the Federal Reserve System Master Account and Services Database (<https://www.federalreserve.gov/paymentsystems/master-account-and-services-database-existing-access.htm>) contains data as of November 30, 2025, on financial institutions that use Federal Reserve Bank financial services, including those with no additional Federal regulator. FinCEN used this data to identify 365 banks and credit unions with no additional Federal regulator using Federal Reserve Bank financial services.

^e 31 CFR 1010.100(t)(2).

^f This estimate is based on U.S. Securities and Exchange Commission (SEC) data on active broker-dealers available at “Company Information About Active Broker-Dealers” (<https://www.sec.gov/foia-services/frequently-requested-documents/company-information-about-active-broker-dealers>), which listed 3,278 active broker-dealers registered with the SEC as of December 31, 2025.

^g 31 CFR 1010.100(t)(8) and (9).

^h According to the Commodity Futures Trading Commission data on FCMs available at “Financial Data for FCMs” (<https://www.cftc.gov/MarketReports/financialfcmdata/index.htm>), there were 66 registered FCMs as of December 31, 2025. The number of IBCs as of December 31, 2025 (888) was obtained from the National Futures Association, “NFA Membership Totals” website (<https://www.nfa.futures.org/registration-membership/membership-and-directories.html>). Because deduplication of entities registered as both FCMs and IBCs was not feasible, this estimate may double-count some entities registered in both categories. FinCEN, however, believes this subpopulation may be small.

ⁱ See 31 CFR 1010.100(t)(10); *see also* 31 CFR 1010.100(gg).

^j This estimate is based on the number of registered investment companies filing Form N-1A in SEC’s *Annual Registered Investment Company Update: Form N-CEN Data, Period Ending December 2024*, April 2025, table 1.3, p. 4 (<https://www.sec.gov/files/annual-registered-investment-company-update-20250404.pdf>).

Estimated Number of Expected Respondents: Approximately 129.⁹²

Table 2. Estimates of Affected Financial Institutions by Type

Financial Institution Type	Number of Entities
Banks with an FFR	66 ^a
Banks without an FFR	12 ^b
Broker-dealers	30 ^c
FCMs and IBCs	9 ^d
Mutual funds	12 ^e

^a Data is from the Federal Financial Institution Examination Council Central Data Repository for Reports of Condition and Income (Call Reports) and Uniform Bank Performance Reports, available for most FDIC-insured institutions. Using this source of data, FinCEN determines that as of Q4 2025, approximately 66 banks (as defined by FinCEN regulations, *see* 31 CFR 1010.100(d)) would be affected by this proposed rule in any given year. Specifically, as of Q4 2025, there were approximately 66 banks that reported non-zero values for deposit liabilities of banks in foreign countries. Deposit liabilities in a foreign country is an indication that a bank maintains correspondent accounts with a foreign financial institution.

^b The Board of Governors of the Federal Reserve System Master Account and Services Database contains data on financial institutions that use Reserve Bank financial services, including those with no additional Federal regulator. FinCEN used this data to identify an additional 12 international banking entities with no additional Federal regulator and that do not file Call Reports, but that are also likely to maintain correspondent accounts with a foreign financial institution.

^c Broker-dealers, unless they are publicly traded, are not required to make reports indicating whether they have foreign correspondent accounts or hold foreign deposits. FinCEN reviewed financial statement data from 10-Q and 6-K filings with the SEC and identified nine publicly traded broker-dealers with U.S. operations that reported foreign deposits. FinCEN also examined Suspicious Activity Reports filed by broker-dealers in 2024 to identify another two non-publicly traded broker-dealers who appeared likely to be maintaining foreign deposits. However, because many broker-dealers are not publicly traded—so there may be less information about their business publicly available—and because many did not file Suspicious Activity Reports, FinCEN conservatively estimates that the proportion of broker-dealers with foreign correspondent accounts is similar to the proportion for banks (approximately 0.9 percent). 0.9 percent of 3,278 active broker-dealers is approximately 30 broker-dealers assumed to have foreign correspondent accounts.

^d FCMs, IBCs, and mutual funds generally use intermediary U.S. banks to move and maintain client deposits and funds for investment. Therefore, it is unlikely that many of these institutions maintain direct correspondent accounts with foreign financial institutions outside of their existing upstream banking relationships. However, because these institutions may in some cases receive deposits from, make payments or other disbursements, or otherwise transact directly with foreign financial institutions, FinCEN conservatively estimates that the proportion of FCMs, IBCs, and mutual funds with foreign correspondent accounts is similar to the proportion for banks (approximately 0.9 percent). 0.9 percent of 954 active FCMs and IBCs is approximately nine FCMs and IBCs assumed to have foreign correspondent accounts.

^e 0.9 percent of 1,355 active mutual funds is approximately 12 mutual funds assumed to have foreign correspondent accounts.

Estimated Average Annual Burden in Hours per Affected Financial Institution:

Imposing special measure five requirements as described in the Final Rule was originally expected to result in new, incremental recordkeeping burdens on certain covered financial institutions as outlined below.

⁹² While this regulation applies to all covered institutions described in Table 1, in practice the burden would only be imposed on select institutions that maintain correspondent accounts for foreign banks. Table 2 presents an estimate of this subpopulation of banks, brokers or dealers in securities, FCMs and IBCs, and mutual funds.

Original Burden Estimates

An affected covered financial institution is expected to incur recordkeeping and disclosure burdens associated with preparing and retaining the materials necessary to demonstrate compliance with the imposition of special measure five, which includes records related to:

- A. Documenting the reasonable steps the financial institution undertakes to ensure no transactions involving Huione Group are processed for a foreign correspondent account.⁹³
- B. Notifying, and documenting that the financial institution has provided notice to, foreign correspondent account holders that the financial institution knows or has reason to believe provide services to Huione Group, informing such correspondents that they may not provide Huione Group with access to the correspondent account maintained at the financial institution.
- C. Documenting the reasonable steps it took with respect to special due diligence requirements, including but not limited to, the reasoning that informed decisions to adopt (or not adopt) new measures adding to its existing risk-based approach, and those new measures, if adopted.

Revised Burden Estimates

For purposes of modeling the anticipated changes in PRA burden introduced by the proposed rule, FinCEN considered the amendments to the definition of Huione Group in 31 CFR 1010.664(a) to include (1) H-Pay Service PLC and (2) any successor entity separately. Because the Final Rule already required affected financial institutions to undertake activities A–C in 2025, FinCEN assumes that financial institutions may leverage the existing work already undertaken when newly applying special measure five to H-Pay Service PLC. As such, FinCEN

⁹³ See FinCEN, *Imposition of Special Measure Regarding Huione Group, as a Foreign Financial Institution of Primary Money Laundering Concern*, 90 FR 48295, 48309-48311 (Section VI.D) (Oct. 16, 2025).

is assigning a burden of four hours, or half the typical year-one burden, to integrate this newly named entity into an existing section 311 finding.

FinCEN similarly expects that, in the future, should the agency identify and provide notice to affected financial institutions of additional successor entities upon which the special measure five prohibitions would be imposed, the same ability to leverage existing work would attenuate the burden associated with imposing special measures on a new entity. At this time, FinCEN does not have the additional data or information necessary to estimate the likelihood of issuing such a determination, or otherwise notifying covered financial institutions of their new obligations, in a given year with more precision than a general binary random probability (*i.e.*, $p = 0.5$).

Thus, in year two, the expected incremental PRA burden of two hours associated with newly defining Huione Group to include any successor entity, as defined and operationalized, reflects the 50 percent chance of an additional four-hour burden and the 50 percent chance of no additional burden. In year three, the expected incremental PRA burden of 2.125 hours similarly reflects the equally weighted probabilities of successors being identified in sequential periods.⁹⁴

Each newly identified entity is then subsequently expected to be integrated into the existing section 311 special measures practices of affected financial institutions as modeled elsewhere in FinCEN PRA analyses.⁹⁵

⁹⁴ The annual outcomes are modeled as a Bernoulli process, with a general formula of expected burden $(1/2^{n-1}) \times \{s_1, \dots, s_{2^{n-1}}\}$ in year n . When $n = 3$, $(1/2^2) \times \{0, 0.25, 4, 4.25\} = ((1/4) \times (0)) + ((1/4) \times (0.25)) + ((1/4) \times (4)) + ((1/4) \times (4.25)) = 2.125$. This reflects a 25 percent of no additional burden in s_1 (there are no successor entities in year two or three), a 25 percent chance of an additional 0.25-hour burden in s_2 (there is a successor entity in year two but no new successor entity in year three), a 25 percent chance of an additional four-hour burden in s_3 (there is no new successor entity in year two but a new successor entity in year three), and a 25 percent chance of an additional 4.25-hour burden in s_4 (there is a new successor entity in both years two and three).

⁹⁵ See, e.g., FinCEN, *Imposition of Special Measure Regarding Huione Group, as a Foreign Financial Institution of Primary Money Laundering Concern*, 90 FR 48295 (Oct. 16, 2025); FinCEN, *Proposal of Special Measure Regarding Transactions Involving Ten Mexican Gambling Establishments as a Class of Transactions of Primary Money Laundering Concern*, 90 FR 51234 (Nov. 17, 2025); FinCEN, *Agency Information Collection Activities; Proposed Renewal; Comment Request: Renewal Without Change of Information Collection Requirements in Connection With the Imposition of Special Measures*, 90 FR 57279 (Dec. 10, 2025); FinCEN, *Proposal of Special Measure Regarding Mbaer Merchant Bank AG as a Financial Institution Operating Outside of the United States of Primary Money Laundering Concern*, 91 FR 10034 (Mar. 2, 2026).

Tables 3 through 5 reflect these revisions to the PRA analysis in the Final Rule, including the estimated average annual burden per affected financial institution assigned to the additional collection of information in this proposed rule: four hours in year one, 2.25 hours in year two,⁹⁶ and 2.375 hours in year three.⁹⁷

Table 3. Expected PRA Burden Hours per Respondent by Effective Year

Year	Huione Group as Defined in Final Rule	Including H-Pay Service PLC	Including Potential Additional Successor(s)	Total
1	0.25	4	n/a	4.25
2	0.25	0.25	2	2.50
3	0.05	0.25	2.125	2.425
Total Burden	0.55	4.5	4.125	9.175

Table 4. Summary of the Incremental Increase in PRA Burden Relative to the Final Rule

Year	Number of Respondents	Incremental Increase in Burden Hours per Respondent	Total Incremental Increase in Burden Hours	Total Incremental Increase in Cost ^a
1	129	4	516.0	\$64,283
2	129	2.25	290.3	\$36,159
3	129	2.375	306.4	\$38,168
3-Year Average	129	2.88	370.9	\$46,204

^a The wage rate applied here is a general composite hourly wage (\$87.61) scaled by a private sector benefits factor of 1.42 (\$124.58 = \$87.61 × 1.42). This incorporates Bureau of Labor Statistics mean wage data associated with six occupational codes (11-1010: Chief Executives; 11-3021: Computer and Information Systems Managers; 11-3031: Financial Managers; 13-1041: Compliance Officers; 23-1010: Lawyers and Judicial Law Clerks; 43-3099: Financial Clerks, All Other) for each of the nine groupings of North American Industry Classification System industry codes that FinCEN determined are most directly comparable to its 11 categories of potentially affected financial institutions as delineated in 31 CFR parts 1020 to 1030. See Bureau of Labor Statistics, *May 2024 - National industry-specific and by ownership*, <https://www.bls.gov/oes/tables.htm>. Given that many occupations provide benefits beyond wages (e.g., insurance and paid leave), FinCEN applies the private sector benefit factor to the unloaded wage rate to reflect the total cost to the employer. The benefit factor is the ratio of total compensation (which includes wages and benefits) to wages. Total compensation = \$43.94 and Wages and salaries = \$30.90 (1.42 = \$43.94 ÷ \$30.90) as of June 2024, based on the private industry workers series data downloaded from the Bureau of Labor Statistics, Employer Costs for Employee Compensation data, https://www.bls.gov/news.release/archives/ecec_09102024.pdf.

Table 5. Annual Time Burden: Three-Year Averages

Total Hours	Original (Final Rule) ^a	Incremental (NPRM)	Total
Per Respondent	0.18	2.88	3.06

⁹⁶ 2.25 hours = 0.25 hours associated with including H-Pay Service PLC + 2 hours associated with the potential additional successor entity in year two.

⁹⁷ 2.375 hours = 0.25 hours associated with including H-Pay Service PLC + 2.125 hours associated with the potential additional successor entities in years two and three.

On Aggregate	23.65 ^b	370.88	394.53
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^a The per-respondent burden for the Final Rule reflects the average annual burden for years two through four to ensure comparability with the annual averages for years one through three of this proposed rule.

^b The burden was calculated by applying the per-respondent burden from the Final Rule (0.18 hours) to the updated number of expected respondents (129) rather than the number of expected respondents under the Final Rule (127).

FinCEN invites comments on: (1) whether the collection of information found in section 1010.664(b)(4) is necessary for the proper performance of the mission of FinCEN, including whether the information will have practical utility; (2) the accuracy of FinCEN's estimate of the burden of the collection of information; (3) ways to enhance the quality, utility, and clarity of the information required to be maintained; (4) ways to minimize the burden of the required collection of information, including through the use of automated collection techniques or other forms of information technology; and (5) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to report the information.

Additional Requests for Comment:

1. Do FinCEN's expectations for how additional entities would be integrated into ongoing compliance activities with the existing Final Rule comport with industry practices? If not, how substantively does this affect the conclusions of FinCEN's analysis?
2. Are FinCEN's estimates of burden and cost generally consistent with the experience of affected financial institutions? If not, please provide data, studies, reports, or anecdotal information that would allow FinCEN to improve the accuracy of its burden and cost estimates.
3. Do FinCEN's expectations about the likelihood of additional successor entities being identified comport with market expectations? Are FinCEN's expectations about the burden associated with naming additional successor entities reasonable?
4. Is FinCEN's characterization of a diminishing cost profile over time in connection with the imposition of section 311 special measures a reasonably accurate representation of market practices? If not, please provide data, studies, reports, or anecdotal information that would allow FinCEN to improve the accuracy of its burden and cost estimates.

VII. Regulatory Text

List of Subjects in 31 CFR Part 1010

Administrative practice and procedure, Banks, Banking, Brokers, Crime, Foreign banking, Terrorism.

Authority and Issuance

For the reasons set forth in the preamble, FinCEN proposes amending 31 CFR part 1010 to read as follows:

Part 1010—GENERAL PROVISIONS

1. The authority citation for part 1010 continues to read as follows:

Authority: 12 U.S.C. 1829b and 1951-1959; 31 U.S.C. 5311-5314, 5316-5336; title III, sec. 314, Pub. L. 107-56, 115 Stat. 307; sec. 2006, Pub. L. 114-41, 129 Stat. 458-459; sec. 701 Pub. L. 114-74, 129 Stat. 599; sec. 6403, Pub. L. 116-283, 134 Stat. 3388.

2. Amend 1010.664 to read as follows:

1010.664 Special measures regarding Huione Group.

(a) * * * * *

(1) *Huione Group*. The term “Huione Group” means all subsidiaries, branches, offices of Huione Group operating as a financial institution in any jurisdiction outside of the United States, including Haowang Guarantee (formerly known as Huione Guarantee), Huione Pay PLC, Huione Crypto Spółka Z Ograniczoną Odpowiedzialnością (d/b/a Huione Crypto), and H-Pay Service PLC, as well as any successor entity.

* * * * *

(6) *Successor Entity*. The term “successor entity” means any person that replaces Huione Group by acquiring its assets, in whole or in part, and/or carrying out the affairs of Huione Group under a new name.

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