



Financial Crimes Enforcement Network  
U.S. Department of the Treasury

Washington, D.C. 20220

## Exemptive Relief Order to Delay the Effective Date of the Investment Adviser Rule

**Issue Date: August 5, 2025**

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By order, pursuant to the authority set forth in 31 U.S.C. § 5318(a)(7) and 31 C.F.R. § 1010.970(a), the Secretary of the Treasury (Secretary), through the Financial Crimes Enforcement Network (FinCEN),<sup>1</sup> grants exemptive relief to covered investment advisers from the requirements of the regulation titled *Anti-Money Laundering/Countering the Financing of Terrorism Program and Suspicious Activity Report Filing Requirements for Registered Investment Advisers and Exempt Reporting Advisers* (IA AML Rule).<sup>2</sup> The IA AML Rule is set to become effective January 1, 2026. This order exempts covered investment advisers from all requirements of the IA AML Rule until January 1, 2028. FinCEN intends to issue a notice of proposed rulemaking (NPRM) to propose a new effective date for the IA AML Rule no earlier than January 1, 2028.

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<sup>1</sup> See U.S. Department of the Treasury Order 180-01 (Jan. 14, 2020); see also 31 U.S.C. § 310(b). Under 31 U.S.C. § 5318(a)(7), the Secretary can “prescribe an appropriate exemption from a requirement under this subchapter and regulations prescribed under this subchapter.” Under 31 C.F.R. § 1010.970(a), the “Secretary, in his sole discretion, may by written order or authorization make exceptions to or grant exemptions from the requirements of this chapter. Such exceptions or exemptions may be conditional or unconditional, may apply to particular persons or to classes of persons, and may apply to particular transactions or classes of transactions. They shall, however, be applicable only as expressly Stated in the order of authorization, and they shall be revocable in the sole discretion of the Secretary.”

<sup>2</sup> FinCEN, [Anti-Money Laundering/Countering the Financing of Terrorism Program and Suspicious Activity Report Filing Requirements for Registered Investment Advisers and Exempt Reporting Advisers Final Rule](#) (IA AML Rule), 89 FR 72156 (Sept. 4, 2024).

## **Background**

On September 4, 2024, FinCEN published the IA AML Rule, which defined certain investment advisers as “financial institutions” under the Bank Secrecy Act (BSA).<sup>3</sup> The IA AML Rule also requires covered investment advisers to establish and maintain Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) programs, report suspicious activity, and keep relevant records, among other requirements.<sup>4</sup> In the 2024 Investment Adviser Risk Assessment, Treasury described the illicit finance risks associated with the investment adviser sector that the IA AML Rule has been 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.<sup>5</sup>

## **Basis of the Order**

Consistent with the Administration’s deregulatory policies focused on reducing any unnecessary or duplicative regulatory burden on Americans, the Secretary, through FinCEN, has determined that the IA AML Rule should be reviewed to ensure it strikes an appropriate balance between cost and benefit.<sup>6</sup> FinCEN is, through this order, exempting covered investment advisers from the obligations of the IA AML Rule while that review takes place. While the illicit

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<sup>3</sup> *Id.* at 72274. The legislative framework generally referred to as the Bank Secrecy Act (BSA) consists of the Currency and Foreign Transactions Reporting Act of 1970, as amended by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and other legislation. The BSA is codified at 12 U.S.C. §§ 1829b, 1951-1960; and 31 U.S.C. §§ 5311-5314, and 5316-5336, including notes thereto and implementing regulations codified at 31 C.F.R. chapter X.

<sup>4</sup> *See id.* at 72274-78.

<sup>5</sup> *See* U.S. Department of the 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>.

<sup>6</sup> *See* Executive Order (E.O.) 14192, *Unleashing Prosperity Through Deregulation*, 90 FR 9065 (Feb. 6, 2025); Office of Management and Budget (O.M.B.), *Guidance Implementing Section 3 of Executive Order 14192*, M-25-20 (Mar. 26, 2025); E.O. 14219, *Ensuring Lawful Governance and Implementing the President’s ‘Department of Government Efficiency’ Deregulatory Initiative*, 90 FR 10583 (Feb. 25, 2025).

finance risks associated with investment advisers remain, this review will allow FinCEN to ensure the IA AML Rule is consistent with the Administration’s deregulatory agenda and is effectively tailored to the diverse business models and risk profiles of the investment adviser sector—while still adequately protecting the U.S. financial system and guarding against money laundering, terrorist financing, and other illicit finance risks. FinCEN intends to propose, through notice-and-comment rulemaking, a regulatory change to amend the effective date of the IA AML Rule. To avoid regulatory uncertainty and industry incurring potentially unnecessary compliance costs while FinCEN’s review and rulemaking process are under way, FinCEN is issuing this exemptive relief to all financial institutions that meet the definition of “investment adviser” set out in the IA AML Rule.

### **Exemptive Relief**

Pursuant to 31 U.S.C. § 5318(a)(7) and 31 C.F.R. § 1010.970(a), the Secretary may “prescribe an appropriate exemption” from the requirements of the BSA and its implementing regulations. This authority has been delegated to the Director of FinCEN.<sup>7</sup> Such exemptions may be made by written order or authorization, may be either conditional or unconditional, and may apply to particular persons or classes of persons.<sup>8</sup> FinCEN may revoke exemptions at its discretion. Consistent with this authority and for the reasons set forth above, FinCEN is issuing this temporary grant of exemptive relief to covered investment advisers from the requirements of the IA AML Rule. This exemptive relief is effective from August 5, 2025, until January 1, 2028.

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<sup>7</sup> Pursuant to Treasury Order 180-01 (Jan. 14, 2020), the authority of the Secretary to administer the BSA, including, but not limited to, [31 U.S.C. 5318](#), has been delegated to the Director of FinCEN.

<sup>8</sup> 31 C.F.R. § 1010.970(a).